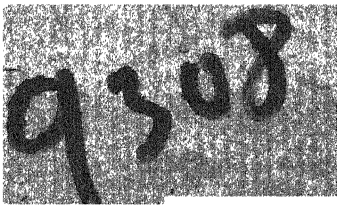


THE NEW LAND REVENUE POLICY OF THE BOMBAY GOVERNMENT:

TAXATION OF SUBSOIL WATER

AT THE

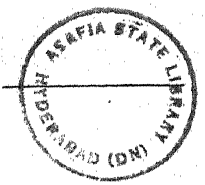
FORTHCOMING REVISION SETTLEMENTS IN GUJARAT,

BEING

A REPRINT OF ARTICLES AND LETTERS CHIEFLY FROM THE *BOMBAY GAZETTE*,

WITH

An Appendix containing the Resolutions of the Bombay Government dated the 26th March and 25th July, 1884, respectively.



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THE NEW LAND REVENUE POLICY OF THE BOMBAY GOVERNMENT.

TAXATION OF SUBSOIL WATER.

(*Bombay Gazette*, April 10, 1884)

THE Resolution* of the 26th March declares the principles by which our Government proposes to regulate its action in respect of three important points affecting its land policy. These are (1) the exemption from assessment of all agricultural improvements not made at the cost of the State; (2) the giving of finality to periodical surveys and re-assessments of land; and (3) the course to be pursued in future in respect of remissions and suspensions of revenue. These three questions are so far-reaching in their bearing upon the well-being of the agricultural classes, that we make no excuse in dealing with each of them separately. First, then, as to the policy in connection with land improvements through agency other than that of the State. On this subject we cannot do better than thank the Bombay Government, on behalf of the classes most interested in land improvements, for the fair and liberal spirit in which they have received our criticisms from time to time. We congratulate the agricultural classes, on the other hand, on the gratifying result which our discussion of the question has brought about. The declaration of Government with regard to the exemption wells from all future assessments, and especially with rence to the obnoxious nature of section 107 of the bay Land Revenue Code, to which we drew attention

* See Appendix.

in these columns a few weeks back, is of a highly reassuring character. And we may fairly lay claim to being instrumental in ripening the opinion on which Government has acted. The Resolution of Government contains a remarkable admission of the justice of our contention that mere executive orders do not convey to the mind of the ryot that assurance which a statutory provision gives. We are told that "His Excellency in Council considers that section 107 or, at any rate, clauses (*b*) and (*c*) are unprofitable to the land revenue. If, in some case, not at once perceptible, an increase of revenue might be claimed under these clauses without violating any of the pledges given by Government from time to time—and this is very doubtful—His Excellency in Council is satisfied that no such advantage is comparable to the disadvantage of retaining on the statute-book a proviso which is of such doubtful significance as to be capable of discouraging the investment of capital in agriculture. The repeal of section 107 in whole or in part will therefore be taken into consideration." According to this pronouncement of policy, we may soon expect to see a Bill introduced into the Bombay Legislative Council for the repeal of this objectionable section 107. The sooner this step is taken the better, as it will relieve the improver of land from the incubus of a long-pending doubt, the result of which has been to actually retard the digging of wells throughout Gujarat and other districts of this Presidency. That this is no imaginary condition of things is proved by the fact that about fifteen months ago the people of Veeramgam, desirous of making investments in wells, but feeling doubtful as to whether section 107 clause (*b*) would or would not be applied to such wells, petitioned Government through Mr. Mackenzie, the then Collector of Ahmedabad, to be informed if the Government would guarantee exemption from future assessment to the well

they proposed to sink. And what was the reply which the Government gave to the petitioners through the Collector ? The reply given was, as we are informed on what we cannot help considering to be unquestionable authority, that Government could hold out no promise of any such guarantee. In the Kaira district, also, we are informed that a missionary gave the authorities to understand that he had advised the agricultural portion of his flock to postpone digging new wells till the expiry of the present settlement and the introduction of the second settlement, after which the ryots would be safe for at least another thirty years. This shows how desirable it is that the repeal of the section objected to by us should be carried out with all convenient despatch, and legislative ratification given to executive orders such as those contained in the Resolution of November 1881.

Now that the Government has wisely given encouragement to the sinking of new wells, we wish it would take this opportunity of making its policy as thoroughly liberal as the Government of India desire, and the public expect it to be. We allude to the policy of imposing special rates on old wells which existed at the time of the original settlement. It is hard on the owners of old wells that Government should not think fit to give up absolutely at the revision settlement any revenue obtained at present by taxing these old wells, especially when, on Government's own showing, the sacrifice of revenue it would involve would be very slight. This is the more necessary now that the Government lays down a broad principle, namely, that by the assessment of his land the ryot pays also for all advantages inherent in the soil. By the phrase, advantages inherent in the soil, Government, we are told, means subsoil water and rain water impounded in the land. According to the principle thus laid down, any profits secured to the ryot by means of utilizing these advantages would, the Government

guarantees, go to him free of taxation. If owners of new wells are to be thus benefited, what have the owners of old wells done not to deserve the like boon from this liberal policy? Sir Barrow Ellis, when Revenue Commissioner, Northern Division, urged the claims of these old well-owners nearly twenty years ago. He then remarked:—"All wells built hereafter by individuals will be free from taxation; it seems hard that wells similarly built by individuals, but before the advent of the survey, should be placed at a disadvantage and subjected to heavier taxation for no other reason save that their owners were in advance of their neighbours in employing capital in agriculture." These pioneer well-owners, it may be urged, have or will have paid extra cess on their wells for thirty years during the currency of the present settlement. Is that not, it may be asked, sufficient penalty for their enterprise, which entitles them to be relieved from the burden of a well-tax? It seems, however, that our Government has no intention of making any absolute sacrifice of revenue, however small it may be. Government is indeed prepared to give up at the next settlement all special rates which are levied on old wells; but it proposes to make up this loss, however small in amount, by enhanced rates on dry crop lands by taxing their water-bearing capacities. Government admits the injustice of levying "an oppressively heavy tax on those who expend capital and labour in bringing the water into use," but it proposes to compensate the State for this loss by laying down a principle which a moment's consideration would show to be economically unsound, while it is practically unworkable, or which, if at all workable, would result in a revenue many times larger than the amount derived from the special rates proposed to be abandoned. The principle is that "if water of good quality be easily available near the surface, it is more reasonable to tax such land by a light

additional rate, whether the water be used or not, than to lay an oppressively heavy tax on those who expend capital and labour in bringing the water into use." Now, let us examine this principle. In the first place we are told that it is reasonable to tax a plot of ground if water of good quality is available near the surface. Here the question arises, is water of good quality always available near the surface? It is a matter of everyday experience that it is not always near the surface that water of good quality can be had; but that, as in Gujarat and other places, the deeper you go below the surface of the soil, the better is the quality of water you meet with. The fact is that good water is available at varying depths both in the Deccan and other parts of the Presidency. And here we have the authority of Mr. Rogers, late member of Council, whose experience as a revenue survey officer no one in this Presidency can question. Mr. Rogers says: "I have known many instances in Gujarat, where the very contrary is the case, where of two wells side by side, or only a few yards apart, the one would be sweet and the other so brackish as to be unfit for purposes of irrigation, and where the mere cleaning out of a sweet well or deepening it but a very little would allow a salt spring to break in and spoil the water." Under these circumstances the taxation of subsoil water, or the water-bearing capacities of land, is one of the most difficult operations for a survey officer to carry out successfully. The Resolution tells us that this principle was enunciated by the Bombay Government in 1866. But it seems to overlook the fact that in 1871 Colonel Francis pointed out to Government that in the ever-varying soil of the Deccan it was found impossible to work out a plan of making a general addition to the dry-crop rates of all lands possessing a water-bearing stratum. What Colonel Francis ultimately did was to take the existing wells

as his guide, exempt them from assessment, and consider only the land under them as having a water stratum. In Gujarat it would be still more difficult to ascertain the water-producing qualities of dry crop lands. If the framer of the Resolution would refer to the literature of this well-assessment question in Gujarat, he would find that Colonel Prescott—the most experienced survey officer of his time did not think that the increase of assessment on dry-crop lands needed to make up for the abandonment of special rates on old wells would be so inappreciable in amount as Government supposes. He pointed to the case of Chiklee in Surat, "where there is a great deal of very superior rice and garden land, and the dry crop soils are of inferior quality, and the people put all their capital, labour, and manure upon their wet land, and grow only grass or the commonest grains in their dry soils, and we have consequently found it absolutely necessary to reduce the dry crop rates which upon other considerations we originally proposed." How great would be the injustice to the holders of the dry crop lands in Chiklee if, according to the principle of the new Resolution, the rates on these dry crop lands were increased in consequence of their water-producing qualities! It seems to us that the principle of taxing subsoil water in jerayat land, upon which the Government of Bombay proposes to base its action in revision operations in Gujarat, is open to the objection, in the first place, that it is economically unsound, and secondly, that it is difficult to work it out in its integrity, that it will result in inequality of assessments, and that, as Mr. Rogers has observed, the carrying out of it will throw too strong a temptation in the way of classers drawing twenty to forty rupees a month, while officers of higher rank, above the suspicion of yielding to temptation, would simply throw up the work in despair. On the whole, we think the Government

cannot do better than give up this attempt to raise revenue from dry crop lands on account of their water-bearing qualities, in order to make up for the loss in the assessment of old wells. All we wish is that there should be one rule of exemption from assessment of all wells, whether they be new or old, to make the principle thoroughly liberal, as the Government of India desire it to be.

(*Bombay Gazette*, April 14, 1884.)

We publish a letter* from Mr. Monteath, Acting Under-Secretary to Government, in reference to our article of Thursday last on the recent Resolution of the Bombay Government about their land revenue policy, and forwarding for our information copy of the Government Resolution in the Veeramgam case. We make no comment on the tone of the letter; but, thanking the Government for the information placed at our disposal, we shall endeavour to see whether it militates against our contention in the article which is impugned. We say in all sincerity and good faith that we do not think it does. Mr. Monteath would appear to contend more for a shadow than for substance, when he says that it was not the guarantee in respect of wells that the Veeramgam ryot applied for, but in respect of the land he would cultivate from his well. But it would appear that even in respect of the land the assurance from the Government he wanted was that that land "shall not be re-assessed at the revision survey," and that his digging of the new well depended on his obtaining some clear assurance about it. This shows that the Veeramgam ryot felt doubts in his own mind as to the exact meaning and application of sections 106 and 107 of the Land Revenue Code. It would further appear that the answer which Government directed to be given to him was neither one which

* See page 80.

made him a bit wiser nor such as to encourage him to dig the well he proposed to sink. It did not make him wiser, for Colonel Anderson, the Survey Commissioner, advised Government to give him an answer "in the words of section 106 of the Revenue Code," that is to say, in words of the section of the Code regarding the meaning of which the ryot had very hazy notions. If the ryot had any clear idea of this section 106 in his own mind, he would certainly not have applied to Government to set him right. And yet the Government, it would appear, is advised by the Survey Commissioner to answer the petitioner in the words of section 106 of the Code. Now, the words of the section tell him that assessments fixed on revision "cannot be fixed with reference to improvements made from private capital." The ryot thinks that a well is an improvement made from private capital, and accordingly wants an assurance from Government that the land in which he sinks a well shall not be re-assessed at the revision survey. This demand the Survey Commissioner considers is "an absurd one," amounting to a request that Government will refrain from taking their dues fixed on general considerations and applicable to all land, whether the improvements have been made or not. The Survey Commissioner next refers to para 2 of the Collector's letter, and remarks :—"I do not think it will be possible, without raising false expectations, to do more than refer applicant to the terms of section 106 of the Revenue Code." Mr. Monteath does not supply us with a copy of the Collector's letter, and we are left to imagine what the danger of raising false expectations is. At last we come to the real point. The Government lets out the secret. We are told that in the case put by the Collector most certainly the new well would not and could not be legally taxed, but the land watered by such a well and all land similarly situated, with visible natural facilities

for well-irrigation from vicinity of water to the surface, whether a well had been sunk or not, would be most justly subjected to some extra rate of assessment, on account of the said natural advantages, above the assessment on land without such advantages. It is here that we join issue with Government. We ask, how does the Government reconcile this "most just" subjection of land to some extra assessment on account of natural advantages, whether there is a well on it or not, with the broad policy it lays down in the Resolution of the 26th March, "that the occupant of land pays for the use of all advantages inherent in the soil when he pays the assessment on his land?" The Government of Bombay include among "inherent advantages" which should be rightly subjected to an extra charge subsoil water and rain water impounded in the well. The one principle seems to be inconsistent with the other. Mr. Monteath's letter keeps this main issue in the background altogether. We should have expected Mr. Monteath to explain this inconsistency. The principle is also at variance with the one which rules all our re-settlements in the Deccan.

This is not a controversy in which we are striving to induce the Government to abandon the principle of assessing wells. The Government have themselves come to the conclusion that, for many reasons, including some of high public policy, having in view the expediency of diminishing the area liable to famine in seasons of scanty rainfall, the sinking of wells should be encouraged. And to encourage the laying out of capital in sinking wells, it is, in our opinion, wisely and liberally decided that wells shall not be assessed. The sacrifice of revenue will be admittedly small, and the gain to the community and the State will be considerable. So far good. But the Government says, almost in the same breath, "It is true that

we will not assess wells; but water underlying the soil which may be brought to the surface by wells we will certainly assess. That will possibly recoup us four times over for what we lose by letting wells go free. Our liberality is its own reward. The country will gain, for when people find that they have to pay for the underground water whether they sink wells to get at it or not, they will find it to their interest to sink wells, so as to get something in return for what they pay on their extra assessment." If this do not describe with entire accuracy the position of the Government on this question, we hope Mr. Monteath will correct us. Taking what we have said as an honest and exact statement of the Government case, we will at once concede that it is a very plausible case; a very attractive one which at first sight might easily win the approval of impartial on-lookers. What have we to urge against it? We say that the proposal is plausible only until it be examined closely, from the point of view of practical men—of that, for instance, of the Government Survey officers themselves. How are Government officers to ascertain whether water fit for purposes of irrigation exists under a particular field? By the use of a divining rod? Or by experimentally sinking a well, say fifty or sixty feet deep? That would be rather expensive. But when a well is already sunk, when upon looking into it the Survey officer sees water at the bottom; when he has plumbed the water and ascertained its depth; why, then, he is in a position to say that for a certain distance round the well there is sub-soil water which he can assess. He does assess it, and all the ryots of the country-side say that the Sirkar has taxed the well. Suppose, they were as exact in their language as an Under-Secretary, they would of course say that the Government had not taxed the well, but had only taxed the water flowing to it under the surface.

But that would not really make any difference in the result. They would find that they had to pay, and that if they had never sunk the well they would not have to pay. Moral, sink no more wells. The moral would not show that the ryots were men of public spirit capable of making a small sacrifice in view of a great gain. But if they were men of that calibre the Government would not perhaps find it necessary to exempt wells from assessment in order to induce them to sink wells.

This idea of taxing the subsoil water as an "inherent advantage," whether used or not, is not, as we pointed out on Monday last, a new idea at all. The Bombay Government were smitten with the simplicity of the system before, and almost committed themselves to it. But the fact was pointed out that it is wholly impossible to decide off-hand that water is under a particular field, or that even if water be there, it is fit to be used for irrigation. It may be quite brackish. Or it may be at such a depth that the cost of sinking a well to it might be prohibitory. Every field would have to undergo a special test, which would be obviously impracticable. And so the proposal was abandoned when it was first brought into discussion. Will Mr. Monteath kindly furnish us with the official documents bearing on the fate of the present proposal when it first saw the light? The public will then be able to form a pretty correct anticipation of what will be its fate now that it is again submitted to practical criticism.

(*Bombay Gazette*, April 15, 1884.)

In the letter from Mr. Monteath we published yesterday, he informed us that "Government is willing to meet any reasonable request for information." Relying upon this, we will thank Mr. Monteath to favour us with information

bearing upon its land policy in regard to the following points :—(1) Number of new wells dug in the districts of this Presidency during the currency of the present settlement ; (2) number of old wells which existed in them at the time the current settlement was introduced, and the number of such of them as have fallen into disuse (3) revenue from old wells in each district on account of extra assessment which Government will have to abandon in pursuance of the policy announced in the Resolution of March 26 ; (4) number of dry crop acres in the Gujarat districts which will be subject to enhanced rates under the new policy on account of subsoil water ; (5) probable increase of revenue expected to result from the taxation of subsoil water in them ; (6) papers connected with the settlement of the Jhalod taluka of the Panch Mahals, where the new principle has been introduced ; and (7) copy of the rules for the guidance of classers in fixing water rates. We have no doubt this request will be considered quite reasonable, and we shall be glad if Mr. Monteath will be good enough to comply with it.*

(*Times of India*, April 16, 1884.)

We have always urged that the Government of Bombay, or any other Government in India, would do well to put forth a clear exposition of their policy whenever wild statements were rife. But our local contemporary, in its recent articles on the Bombay Land Revenue system, is going a trifle too far. The Resolution of March 26th was so frank and outspoken that there should have been no more misrepresentation. Not only, however, has misrepresentation not ceased, but in a short article which appeared yesterday,

* It is much to be regretted that, except in the case of head (6) Government have not been pleased to furnish the information called for under the respective heads.

our local contemporary has surely abused the opportunities afforded it by Mr. Monteath's courteous and elaborate corrections. Mr. Monteath said in his letter that Government were willing to give information, *i.e.*, to publish or supply the papers in a case. The offer is treated, however, in a style which it would only be proper to use to a manager of a company or mill who tried to shirk producing his accounts. This seems to us an extraordinary way to treat the appearance of a public statement of policy which is perfectly frank and sincere, which has put the public in possession of projects which there was no necessity to publish, and which shows this Government to be quite in the front rank as to liberal treatment of agricultural improvements. It is, of course, no secret that these articles, some of which have been republished in a pamphlet are all written by a native gentleman, who is, perhaps, only too well known in the Corporation debates. But for all that the members of Government will, we have little doubt, be apt to feel disappointed at this as the result of a first attempt to take the public into their confidence; for they not improbably expected that Members of the Council and Secretaries to Government would be held to be entitled to the ordinary observances in a discussion between gentlemen anywhere.

But letting this pass, it may, perhaps, be well to reiterate the fact that the whole position as regards assessment of wells and other improvements is exceedingly simple. The native Governments put special assessments on wells, which are in fact the only ordinary agricultural improvement. When we first made Survey Settlements we did the same. But while the thirty years' term of these settlements was current, some of the officers, notably Sir B. H. Ellis, formed wiser and more liberal opinions, and it was decided that the special assessment of wells was wrong as discourag-

ing improvement, and ought to be abandoned. Orders were issued accordingly in 1871 and 1874 as regards the Deccan and Southern Mahratta Country, which were then under revision, and extended in 1881 to all districts. They have just been repealed with reference to Gujarat, which is now about to come under revision settlement. There has, we may say, been no variation or inconsistency in the policy of Government since this better view was first entertained. Government pledged themselves to remove the special rates on wells, and have done so ever since in every district which has come under revision. The Viramgam case, in our contemporary's leader on Thursday last, is a proof of the consistency of Government of which people were hardly aware until this false and injurious description first called attention to it. It was explained in the Legislative Council and again in that Viramgam case, that the much-abused section 107 of the Land Revenue Code was not intended as any deviation from the policy of not assessing wells. It has never been used or had any effect whatever in the way of specially taxing wells made as improvements by Government tenants. Sir B. H. Ellis, however, asserted the principle in 1866 and 1868 (see Resolution of March 26 last, para. 31) that if land is easily supplied with good subsoil water, it is sound to tax the land by a light additional rate (*i.e.*, to put on a somewhat higher rent). This was discussed at the time, and difficulties were found as shown in the Resolution. But Sir B. H. Ellis ended by expressing a hope that when the time for revision came, somebody would be found to do away with the special well rates and substitute something else. That time has come, and the Government are trying to carry out this view and are now idly denounced and misrepresented for doing so. It is the aim of the Revenue Survey to put on each field a rent proportioned to its pro-

ductive quality. Now when a surveyor comes to (1) a well watered and wooded valley and (2) a dry stony upland, will he do wrong if he puts a higher rent on the valley lands than on the uplands? The writer of these articles says :—By no means put a higher rent on the valley lands because they are well watered. If you do, you will discourage peope from digging wells." But this is childish. It goes a long way beyond the " prairie value " theory. The rent is fixed and has to be paid whether wells are dug or not. But after the inherent quality of water in the subsoil has been considered in the rent, then the tenant is assured that, dig as many wells as he pleases, he will not have his rent raised in consequence. Whether this difference in assessment can be carried out is a fair matter of discussion, and Government would doubtless be glad to see it well and fairly discussed. How has this been done by Mr. Javerilal Umiashankar? He begins by saying that the Resolution of March 26th declares the principles by which Government *proposes* to regulate its action in regard to improvements. This is wrong. The Resolution shows that Government has consistently proceeded onward for fourteen years past in the policy of protecting improvements. Of course what Government did in 1871, 1874 and 1881, is claimed as due to Mr. Javerilal's effusions in 1884. Then, to show that Government is not to be trusted to be liberal and consistent unless it is bound down by law, a false version of the Viramgam affair is given as a " fact."

We need hardly explain as to that case that Government in no part of India has agreed to a *permanent settlement* of land revenue, which was what the Viramgam ryot asked for. In a country so little developed as India, Government cannot, in justice to public interests, forego the rise in rent which the increased value of land will justify as the whole country progresses to a higher civilisation, but in

Bombay they try to go as near a permanent settlement as they can. They now tell us exactly the sole grounds on which rents will be raised. These are general grounds, and do not include the value of improvement made by private capital. Mr. Javerilal's reflection about "as thoroughly liberal as the Government of India desire" is disingenuous and ungenerous. The papers printed with the Resolution show that the Government of India is in complete accord with this Government, and paragraph 33 of the Resolution shows that they go further than the Government of India, as their view as expressed in the Land Improvement Loans Act of 1883, sec. 11. On Monday our contemporary had to publish Mr. Monteath's letter exposing the Viramgam calumny. Yesterday it published another article by Mr. Javerilal to show that he really was not far wrong and that the version he gave does not differ much from Mr. Monteath's. This letter will enable any reader to judge of the quality of the other remarks in that article. "The Government," to quote Mr. Javerilal, says :—"*That will possibly recoup us four times* over, &c." But para. 32 of the Resolution of March 26 describes the same thing as "a *scarcely noticeable increase* of the soil rates." Surely the writer cannot be unable to see the difference as regards encouragement of improvements between (1) putting a slightly higher fixed rent on well watered lands and (2) saying to the tenant—If you dig a well here we will charge you a special rate. Mr. Javerilal, whose terribly wordy speech in the municipal offices a few weeks past only found one seconder, is perhaps scarcely worth so much powder and shot, but while we are about it we may perhaps be allowed to inflict another instance of his inconsistency on our readers. In his article of April 10th, and also in his pamphlet "Observations on the Land Improvement Loans Act of 1883," he quotes the same passage

from a Resolution of Government in 1868. It is:—"If water of good quality be easily available near the surface, it is more reasonable to tax such land by a light additional rate whether the water be used or not, than to lay an oppressively heavy tax on those who spend capital and labour in bringing the water into use." In his pamphlet he says of this passage:—"Notwithstanding the *wise and politic* decision contained in the passage above quoted, a very different course has been followed." In the article of the 10th instant he says of it, that it is a principle which a moment's consideration would show to be economically unsound, while it is practically unworkable." The principle was wise and politic as long as the writer thought he could taunt Government with having abandoned it. When he finds that he is quite mistaken, and that Government in the Resolution of March 26th entirely concurred in the soundness of it, then he denounces it as economically unsound, and falsely insinuates that it is contemplated to put on such an increase as would be "many times larger than the special rate it is proposed to abandon." There is no foundation whatever for this insinuation. It is accepted as a matter of course that the sacrifice of revenue will be considerable. But Government must be put in the wrong, must be longing to back out of any liberal thing they ever promised, must be grasping for more revenue. We cannot say that we attach much interest to the discussion except indeed in one point. The Government have here made an attempt altogether against their precedents to encourage the more intelligent natives to discuss public questions, and have been at some pains to induce them to put the discussion upon an honourable level, plain speaking being welcome, but fair speaking indispensable. It is, we fear, pretty plain that they have signally failed in this case, and that they will be all the more likely to revert to their former position of isolation and reserve.

(*Bombay Gazette*, April 17, 1881.)

When Mr. Monteath, in a letter which we good-naturedly published on Monday, had the bad taste to refer to a particular individual as the supposed writer of certain articles treating on questions connected with the land policy of the Government, we refrained from commenting on a gaucherie which we attributed to inexperience in the usages of newspaper controversy. There is no excuse, however, for the wholly unprofessional disregard of press usage in which a contemporary indulges on the same point. The paper in question yesterday ascribes, quite gratuitously and quite erroneously, to a particular writer, whom it names, the authorship of the articles on the land policy of Government which have appeared in our columns. Passages in our leaders are quoted, not as from the *Bombay Gazette*, but as what Mr. So-and-so says, Mr. So-and-so never having written them, or laid eyes upon them until they appeared in print. If we were inclined to retaliate for this impudent breach of journalistic etiquette, we might give a list of our contemporary's leaders for a given week or month, with the names of the writers in full, and a statement of their motives ascertained or inferred. The result might be as suggestive as was the return of the list of attendances at the meetings of the Municipal Corporation recently moved for, when it was found that the one member who never attended a single one of the 96 meetings held during a period of fifteen months, was the public-spirited Editor who had been employing his leisure in denouncing his colleagues for their remissness in attending to their public duties. In regard to this subject of the Government land policy, it is a matter for observation that the paper which now, when nobbled by the Secretariat, breaks the whole ten commandments of journalism in accus-

ing us of having misrepresented the Government, had not before thought it necessary to give even a passing reference to the important Resolution of the 26th March, which set forth the new departure in regard to the question of assessment. We have expressed our ungrudging approval of that Resolution as a whole. Its spirit and scope realise the very reforms for which we have consistently contended. Upon one point we have seen reason to differ from the authors of the Resolution, and we have without any bitterness or heat pointed out—and we shall presently re-state—the grounds upon which we deem the Government to be mistaken. But neither upon the Resolution as a whole nor upon any single paragraph of it had our contemporary vouchsafed one word of either approval or disapproval until the moment came to fire off at us an inspired leader in which we are vehemently taken to task for being inconsiderate enough to point to a single flaw in a purely perfect Resolution, and we are accused of treating the Government with monstrous discourtesy because we ventured to act upon the invitation addressed to us by Mr. Monteath, the Under-Secretary, to ask for official information which we might require for the due fulfilment of our duty to the public as well-informed critics.

Our views with regard to the assessment of water underlying land have been very clearly stated, yet they are wholly misapprehended by the writer who undertakes to reprove us for misrepresenting the intentions of the Government with regard to it. We know perfectly well, and we have stated categorically, that the Government intends to abandon the assessment of wells. Here is what we wrote on Monday last, setting forth the fact, one would have thought, with sufficient emphasis, and certainly in a tone of strong approval: "This is not a controversy in which we are striving to induce the Government to abandon the

principle of assessing wells. The Government have themselves come to the conclusion that, for many reasons, including some of high public policy, having in view the expediency of diminishing the area liable to famine in seasons of scanty rainfall, the sinking of wells should be encouraged. And to encourage the laying out of capital in sinking wells it was, in our opinion, wisely and liberally decided that wells shall not be assessed. The sacrifice of revenue will be admittedly small, and the gain to the community and the State will be considerable." It is when the Government wish to recoup itself for any loss of revenue that may be occasioned by the abandonment of assessments on wells by assessing all lands under which water is to be found, whether it be used or not, that we find it necessary to remind the Government of their former proceedings in this very matter. We have distinctly stated that in the abstract the principle is a sound one that land which has the advantage of a water-supply within reasonable distance of the surface should pay more than land which has no such advantage. We never said, as is absurdly represented, that a well-watered and wooded valley should not pay more than a dry stony upland. It is puerile to suppose that such was our contention. It was inconsistent with a principle which we fully accepted, that in the abstract assessment of sub-soil water was fair and legitimate. Our objection to such an assessment was wholly based upon the practical considerations which determined the Government of Bombay in 1865 not to persevere with a proposal which is now renewed, in apparent forgetfulness of the solid reasons which are on record against it. As we put the question the other day, it is impossible for Government officers to ascertain whether water fit for purposes of irrigation be under a particular field, except they use a divining rod, or sink experimentally a well some fifty or

sixty feet deep, or else go to an existing well and, having ascertained the depth of water therein, infer that the land within certain reasonable bounds may be presumed to have water underneath and to be therefore liable to what may be termed the water rate. When this is done, as we urged the ryot will say that his well is assessed, and if a Government officer reply that it is not the well which is assessed, but the water of whose existence the well gives evidence, the ryot will say in his stupidity that it is all the same to him, and that if there had been no well there would be no addition to his assessment. And of course the conclusion which his neighbours would draw would be, that to avoid having to pay the Sirkar an extra cess the best thing to do is not to sink wells. The Viramgam case, to which we referred on a previous occasion, showed very clearly that the ryot was unable to discriminate between the non-assessment of a well and the assessment of subsoil water which might result from sinking a well, and thus establishing the fact that water exists under his ground. In the Viramgam case we are accused of misrepresenting the answer of Government. If so, our misrepresentation is corrected by the statement of the facts given in the Resolution of Government thereon, forwarded to us by Mr. Monteath with a request that we should publish it. But that was not the only case to which we referred, though it is the only one to which Mr. Monteath has thought it necessary to allude. Supposing for the moment that our view on this question of assessing or trying to assess the subsoil water is perverse, and unreal, let us see what were the official representations which induced the Government to abandon the project when it was first submitted to them by Sir Barrow (then Mr.) Ellis, the Revenue Commissioner of the Northern Division, in March 1865. First, with regard to Sir Barrow Ellis' proposal. He distinctly declares the taxation of

wells constructed by private capital to be inexpedient: "I think it must be admitted that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay Survey. All wells built hereafter by individuals will be free from taxation; it seems hard that wells similarly built by individuals, but before the advent of the survey, should be placed at a disadvantage and subjected to heavier taxation for no reason save that their owners were in advance of their neighbours in employing their capital in agriculture." Having thus started in a line with the point of departure of the present Bombay Government in this matter, he goes on to say that on the other hand it is quite consistent with the principles of the survey that if the inherent qualities of the soil be such that water is produced by digging for it within a few feet of the surface, this capability should be taxed as well as other elements of fertility: "The whole of the revenue from lands irrigated from wells in Gujarat and Khandesh *may easily be made good by a very slight enhancement of the rate on all lands capable of producing water.*" This is just what the Bombay Government is saying now. He recognises, however, that water at an inconvenient depth should be considered as non-existent—a point which may or may not be overlooked at present. "There is land, as in Sauda in Khandesh, from which water may be obtained, but only by digging to the depth of 80 or 90 feet. Such land should not be considered as having a natural water capability, and the owner should be free to enjoy untaxed the results of his labour and expenditure of capital in raising water." He would put the extra assessment on land only under which water lay at a convenient depth. "I would limit the depth to 60 feet or to 30 feet, according as the water is sweet or salt. A very slight addition to the rates on all lands in which water is

obtainable within those depths will more than compensate Government for the loss of revenue from wells, and I am sure that the removal of well assessment will be universally popular, and tend more than any other measure that could be devised to give the ryots confidence and induce the building of new wells." Having directed the officers concerned to adopt this system experimentally, he requested the sanction of the Bombay Government.

Why was not the sanction of Government given? A few weeks after the proposals in question were sent up to Government, Mr. A. Rogers, who had succeeded to the Commissionership of the Northern Division, wrote a report, of which we need now only quote the third paragraph: "Major Francis in his 8th paragraph points out a great practical difficulty which would be frequently met with by the classer in noting the fields to which the enhanced rate should be applied. How is he to tell the depth of water from the surface, or its quality, *in any field in which there is no well to guide him?* He, of course, cannot dig everywhere to ascertain, and it would be throwing too strong a temptation in the way of a man drawing perhaps from 20 to 40 rupees a month to allow him to put down his surmises. Officers of higher rank, above the suspicion of yielding to temptation, would simply throw up the attempt in despair." We have stated that practically it would come to this—that on lands where wells existed the water would be assessed, but that under lands where there were no wells it would not be assessed, and that consequently for all practical purposes Government might as well tax the wells *sans phrase*. Here is what Mr. Rogers reported on that very point in May, 1865: "I beg to annex a copy of the Khandesh Superintendent's answer to a reference on the subject made from this office. It is evident from the tenor of this that Mr. Davidson contemplates no other

way of acting up to the proposed system but that of going through the whole of the process preliminary to the imposition of a well assessment under the existing system, and then putting that assessment on the lands under the wells," and he respectfully suggested that the Government should issue no general order until the result of certain experiments had been ascertained. Does Mr. Monteath desire information as to the result of those experiments! Colonel Francis, who was one of those employed to make them, thus reported to Government on the 31st July 1871: "Government wish a general addition to be made to the jerayat (dry crop) rates of all kinds possessing a water-bearing stratum; but it is almost impossible, I think, to work out this plan in the ever-varying soil of the Deccan. I have, therefore, taken existing wells as the guide, and considered only the land under them as having a water stratum." And that is what must be done by any officer deputed to carry out the scheme of taxing the subsoil water. Where there are wells, water will be taxed, because the evidence of its existence will have been furnished by the sinking of the wells. Where there are no wells, the subsoil water cannot be assessed, because the Government officers have no means of ascertaining the fact of its existence. Therefore, the premium upon the construction of wells which the Government intended to give in removing the tax thereon, is, for all practical purposes, done away with by the attempt to tax or to assess subsoil water. It would save trouble to say at once that the Government would tax the wells, for the effect would be the same. The Bombay Government formerly came to that conclusion. If the Bombay Government of to-day come to a different conclusion, well and good. They must bear to be told that the reasons which seemed valid to their predecessors still seem good to us, and to others. That is our main position. We

have also alluded to the possibility, or rather the probability, that the assessment of the water under the fields would more than recoup whatever loss might result from the abandonment of the assessment of wells. But that is quite a minor point. We have asked for the publication of the instructions issued to the Survey officers on the subject; doubtless the request will be complied with.

(*Bombay Gazette*, April 19, 1884.)

When we asked a few days ago that the local Government should publish information as to the number of wells sunk in the districts of this Presidency during the currency of the present settlement, and as to the revenue derived from old wells, with an estimate of the amount of revenue expected from the assessment of subsoil water in lieu of the assessment of wells themselves, this not very unreasonable request was denounced next day as "an abuse" of the offer of information vouchsafed by Government. It was compared to a demand addressed to the manager of a company who tried to shirk producing his accounts. It is not easy to understand the violence of the emotion produced by a request for statistics, without which it is impossible to understand the exact effect of the scheme contemplated by the Government. Some of the statistics which we have asked for are actually in course of preparation. Mr. Ozanne, the new Director of Agriculture in this Presidency, is giving his attention, at the instance of the Government of India, to this subject. He is preparing a list of wells, old and new, assessed and unassessable. If he will also ascertain the exact amount of revenue which will be given up through the abandonment of the assessment on wells, and the amount of revenue which may be looked for under the provision for the assessment of water underlying

the land, the very information we require will be ready to hand. The Government will probably publish it, and we shall be satisfied. We can then speak upon this thorny subject without running the risk of driving the Secretariat and the editorial staff of our contemporary frantic, by asking for facts and figures with which to eke out our poor arguments.

(*Bombay Gazette*, May 12, 1884.)

We recently drew attention to what seemed to us to be the mistake on the part of the Government of Bombay in regard to the substitution of a system of assessing subsoil water in lieu of assessing wells. We showed that it was practically impossible to assess subsoil water, except where wells had been sunk to prove that there was water in the subsoil. And we referred to the official records to prove that the proposal was not new; that it had been entertained by the Government before, and had been partially put in practice, but had been abandoned for the very reason we advanced—namely, that it was practically impossible to put an additional assessment on a field on the chance that there was water underneath it, and that the only satisfactory evidence of the fact of the existence of water, was the finding of the water by sinking a well. For the Government officers to dig experimental wells in every locality was out of the question. To wait till the ryots dug a well, and then to assess the water, was, to all intents and purposes, to tax the well, or at all events to discourage the sinking of wells—which was precisely what the Government did not want to do. We pointed out also that while the sum sacrificed by the remission of the assessment on wells would be quite inconsiderable, there was no definite statement of the amount which would be obtained by the

additional assessment on land with subsoil water, and we asked for information on the point, which we have not yet been favoured with. And there we left the matter, waiting for some new development. On Thursday last a contemporary, having taken ample time to consider the subject, came out with a long leader taking us to task as "rabid writers who in season and out of season accuse Government of bad faith," and crushes us by declaring that we possess neither knowledge nor calm judgment, qualities of which, as everybody knows, our critic possesses a superabundance. There was no imputation of bad faith in pointing out to the Government of Bombay that a project which we admitted to be not only plausible, but equitable if it could only be carried out in practice according to the intention, cannot be so carried out, as was demonstrated when the experiment was actually tried a few years since. The question is not one of bad or good faith, but of fact. In directing the attention of the Government to the point, we were honestly fulfilling our duty, as we understood it, and we can appeal to our readers to say whether, in fulfilling that duty, we were so very rabid. Our contemporary, for the second time in this controversy, makes itself the mouthpiece of the official view of the question at issue. It was with some curiosity that we read the article to which it gave insertion, and it was with considerable disappointment that we found nothing which threw any light whatever upon the only matter in controversy. "Many years have elapsed since we first called attention to the important question of well-assessment," says the paper in question—so many years that the tradition of the subject had been altogether forgotten in the office. The Viceregal Council discussed a very comprehensive measure—the Land Improvements Loans Act—and passed it into law without attracting any notice in that

quarter. The Government of India drew the attention of the local Governments to the desirability of adopting a more liberal policy with regard to the improvement of land, which in this Presidency can be best effected by encouraging the digging of wells. Yet our contemporary did not wake up to the fact that many years ago it had drawn attention to the subject. Sir Auckland Colvin, in his last Financial Statement, announced in clear and emphatic terms the policy of exempting from assessment all land improvements effected by means other than those of the State. The Bombay Government cordially approved the policy of the Supreme Government, and published its Resolution on land policy on the 26th March last. Not one word had our contemporary to say on the subject all the while. We pointed out how great an advance had been made, and showed how much the ryots had to be thankful for. But we objected to the proposed taxation of lands on account of their dormant water-bearing capacities. This criticism of ours disturbed official equanimity, and our contemporary, for the first time after "many years," was moved to break a studied silence. In Thursday's article our contemporary again defends the one mistaken point in the official scheme, without, however, telling us anything new by way of argument or fact. The writer's soul is sorely troubled to find the means of meeting the necessary expenditure of the State, if the present assessment on old wells be given up in the revised survey, and not even "a scarcely noticeable increase of soil rates" be charged in lieu thereof. The Government, however, of their own accord renounced the policy of assessing old wells under the revision settlement, but to make up for the sacrifice which that might entail they proposed to adopt a policy which was enunciated already in 1868, and soon abandoned. Our contemporary asserts that "Government con-

sider it more reasonable to tax such land by a light additional rate, whether the water be used or not, than to lay an oppressively heavy tax on those who expend capital and labor in bringing the water into use." In adopting these words from the Resolution of 1868, however, the writer omits that portion of the Resolution which gives the real point to our argument. Here is the suppressed portion of the Resolution :—" There is, however, a point at which this principle must be modified ; for when the land is such that when the water is not brought to it, it will bear nothing, and when water is used, it will yield a fine crop, then even a light tax in the former case is impossible. . . It must be held accordingly that the right of Government to levy a rate by virtue of the water below the surface is in abeyance or dormant till the water is produced, but it is doubted even in this extreme case whether it is politic, though it may be asserted to be just, to levy more than would be leviable from first class rice ground, which enjoys also the benefits of water, not created, it is true, by the tenant, but utilised by means of his preparation of the ground." This portion of the Resolution of 1868 shows that sixteen years ago the Bombay Government had, after full deliberation of the merits of the question, waived its abstract right over subsoil water, over the " capability of being used apart from the use itself," in favour of the sounder view that the lands in which water is easily available should be taxed at the highest dry-crop rates. And this has been the policy followed throughout the last sixteen years in the Deccan revision settlements.

The highest authority in such matters had condemned the principle of taxing land for subsoil water or facilities for percolation, when the Irrigation Bill came on for discussion in 1879 before the Bombay Legislature. This Bill provided that, if a canal was found three years after its

construction to be unproductive, all lands commanded by it were to be charged with its cost, whether the owners of such lands were willing to use the water of the canal or not. The Bill accordingly authorized the levy of a "compulsory rate," which Colonel Anderson explained to be a small rate per acre on all lands under command of irrigation works which do not use the water, but to which the water could be applied on occasion. He also urged that in the Deccan the soil was often permeable to water, and it was impossible to prevent leakage from canals into the surrounding land. It was urged on the other side that the levy of such a compulsory rate, or as it was afterwards called "protective rate," was disallowed by the Duke of Argyll in 1869, when he was Secretary of State for India. The Bombay Legislative Council, however, passed the Irrigation Bill in 1879, against one dissentient voice, that of the late Hon. Morarjee Goculdas. It was sent in due course to the Secretary of State, who, however, disallowed sections 49 to 56 of the Bill, which related to the levy of the protective rate, and directed their removal from the Act. Accordingly, in March 1880, Colonel Merriman had to move in the local Council the first reading of the Irrigation Act Amendment Bill, expunging the clauses relating to the taxation of percolation or subsoil water on lands which did not use the water of the canals. If this principle was rejected in the case of canal percolation, it obviously stands condemned in the case of dry-crop lands. It is worthy of note that in many parts of Gujarat, where water is accessible only at the depth of a few feet, what is called a natural bagayet rate has been levied ever since the introduction of the original settlement. In Bardoli, Soopa, Pera, and other parts of the Surat district the rate varies from Rs. 17 to Rs. 21½ per acre. All the available water facilities have therefore been already taxed, and hardly any-

thing remains to be done in that direction. But nothing can be more illiberal or unfair than to tax dry-crop lands with a natural bagayet rate. It is to be remembered that climate has a great deal more to do with produce than quality of soil or the skill of the cultivator. In Gujarat from March to June or July a burning hot wind blows from Baroda to Ahmedabad, absorbing every particle of moisture in the soil to a considerable depth. Most of the ordinary tanks are dried up, rendering it difficult for cattle to obtain a sufficient supply of drinking-water. In all ordinary wells water is to be met with only at a considerable depth. What then becomes of "the subsoil water" which it is proposed to assess? As Colonel Prescott, the late experienced Settlement Officer, shrewdly observed:—"Why, sir, have we such difficulty in making the incidence of the well assessment equitable, whether we put it on the bag, the well, or the soil? Simply, I submit, because we cannot make right in practice what is wrong in principles." No amount of skill in manipulating the well-tax can do good to the ryot. What he needs is to be enabled to grow two blades of corn where one grows at present.

(*Times of India*, August 20, 1884.)

Exactly a year ago we wrote as follows:—"The native papers are fond of stating that unfair enhancement and too great rigidity in our revenue system are the main causes of the ryot's poverty. If this charge be not true, the Government could most easily contradict it by publishing the annual report of the Survey and Settlement Commissioner. This report ought to throw a flood of light on many agricultural and economic questions. If Government be equitable in the matter of enhancement, why does it not let the public have an opportunity of discussing its land policy by the

light of facts." The Government with wise liberality has gone even further than our suggestion, and has determined that for the future Resolutions of Government regarding the revision settlements of villages shall be given to the press, and that the public shall have every opportunity of discussing its land policy by the light of facts. The first part of this statesmanlike policy now lies before our readers in a document we publish elsewhere, and which, though it is nominally devoted to a group of villages, has a much higher interest in connection with the approaching revision of survey settlements in Gujarat. The resolution regarding the revision settlement of the Khalsa villages of the Jhalode Mahal in the Panch Mahals Collectorate is, indeed, one of the ablest state papers that has ever been issued by the Government. In these villages for the first time has been applied "the principle that land which has facility for irrigation should be classed at a higher rate than land which has not, in lieu of imposing a special rate on lands actually irrigated," and the Government by no ingenious and casuistical refinement of reasoning, but by a plain statement of facts and straightforward simple arguments, defends the principle against the wilfully blind criticism with which it has been attacked. The old school of bureaucrats who regard secrecy as diplomacy and contempt of public opinion as a sign of strength may find fault with Government for answering its critics, but the local Government by showing its due appreciation of the value of discussion has proved how much it has advanced in the science of politics. The present rulers of Bombay have given one more proof that besides being bureaucrats they are statesmen, and they are quite capable of appreciating the bracing effect of the fresh breeze of criticism. But critics of Government on their part must also remember that for criticism to be bracing it must be moderate and

founded on facts. Officials are apt to acquire a contempt of public opinion from having to read day after day gross misstatements of their policy. If the tone of the Vernacular Press were a little more sober its influence for good would soon become considerable.

The Resolution before us first gives some information regarding the natural features of the villages and some figures concerning the old and new assessment before it enters into a statement concerning the policy of Government. The soil, we are told, generally is of very good quality, and the sub-soil water is abundant and sure. The tract is intersected by rivulets and by two more important streams which afford facilities for irrigation by lift. But an isolated position, lawless neighbours, and a Bheel population have been adverse to settled agriculture. Till the year 1860 it was under the rule of His Highness Scindia, who made the village officers answerable for the collection of the revenue. In 1872 the Mahal paid without difficulty a revenue demand of Rs. 33,873. Six years after a severe scarcity occurred, causing considerable agricultural depression, and the revenue appears to have declined. About 1880-81 a reaction ensued, and the revenue rose to a sum which was but little exceeded by the Survey Settlement which was introduced in 1882. It must also be borne in mind that at the same time the imrovement of communications giving a greater facility of access to railways had the natural effect of increasing the value of agricultural produce. "The soil and water-supply of Jhalode," we are told, "have the capacity for large production of garden crops, but up to 1882, in lack of facilities for transport, tobacco, sugar-cane, pepper and vegetables were grown on only 1·25 per cent. of the acreage under cultivation." In the Survey Settlement of 1882 a special rate was fixed on the acreage under built wells and water lifts. The assessment,

we read, was moderate, but moderate or large, the tax on wells was against the sound economical law, that to tax a man for improvements which have been made out of his abstinence and labour is to rob him of the fruits of his industry. In according their sanction for a limited time to the tax on wells His Excellency in Council very properly expressed the opinion that it would be better slightly to increase the assessment of all lands which number facility for irrigation among their inherent qualities, than to assess a special rate on lands actually irrigated. This now has been done

The effect of the revision of the settlement is plainly stated in the resolution. We are told—"As the survey measurement and classification of the land has been reviewed, it is not open to any further revision or change The relative values of holds have been finally determined, and no account will be taken in future of any change in relative value due to the improvement of a field by its occupant. Any future increase of assessment will be general for the whole tract, and on the basis of a general rise in the value of land ensuing on the development of agriculture and trade." This is certainly a great and wise change on the part of the State with regard to its land policy, and is certain to produce important beneficial results in the future. The Government, in fact, has defined, as far as possible, the present rights and claims of the ryots They say: "For the land as it now is, you shall pay for the improved land in the degree to which you improve it, you shall not pay." They have bestowed on the ryot the power of investing his daily industry in the soil so as to increase his comforts and augment his income, and all this without any consequent burden. This is the greatest known stimulus to industrial intelligence in all labouring populations, and it is this which the Bombay Government has provided. In

making this reform the Government has, however, borne in mind the fact that they have no right to alienate any legitimate revenue of the State which they have no means of replacing. In India we have to deal with not a European society susceptible of change, but an Oriental society of which custom is the link and bond, in which an old burden attracts no remark and excites no odium, in which a new tax creates a panic, and may cause a revolution. The Government, therefore, naturally feels that as the trustee of the community, before granting a permanent settlement of the land, all natural capabilities which may have an enhancing influence should be taken into consideration. Rent has been defined as the price paid for the inherent and indestructible virtues of the soil: and it is impossible to deny that subsoil water is an inherent virtue capable of returning a large profit on capital and labour. The price for enforcing this virtue belongs to the community and ought to be received by the community. The Bombay Government have, therefore, in permanently classifying the land in the Kalol Mahal according to relative value taken into account the inherent advantage of accessible sub-soil water, and a small addition to the sub-assessment has been made on that account. In a resolution published a short time ago the Government promised that the increase on this account should always be strictly moderate. We think there can be no doubt that the pledge has been kept. The portion of the whole assessment on the occupied land due to the appreciation of water advantage as an element of classification value is Rs. 796 out of a total of Rs. 30,952-8-0 spread over the occupied area possessing water advantage; the Rs. 796 represent about 1 anna per acre on the average. The difference in the total assessment of occupied land in the tract under the new system and that under the original settlement is nominal, as it amounts to the sum of Rs. 53.

The special well assessment abandoned was Rs. 742-4 and the assessment for water is Rs. 796. "But only a fraction of the Mahal is now under irrigation, while the unused facilities are great, and the average rate of 1 anna per acre is now accepted as the sole charge of Government on this inherent capability. The facility of obtaining water by lifts from streams is in this case included in the calculation." For the sum of 1 anna per acre the ryots may for all time improve their land, dig wells and use the streams without fear of any increase to their rent. However, the ryot will have to pay the same whether he makes use of these advantages or not, and it may very properly be asked—Can the existence of subsoil water be safely inferred on any evidence short of its actual use? We think in the present scientific age it ought not to be very difficult to determine whether water is near the surface or not in certain tracts of land. However, Government meets this objection in a business-like manner by declaring that it is not proposed to continue to levy the extra percentage for water advantage on land on which it has been demonstrated by the occupant that no such advantage is inherent. It may be argued that the ryot will have to spend money in digging a well to demonstrate this fact; but this is what he would have to do under any system. Under the present system the cost of the experiment, if it fails, will be in some degree recovered by the extra tax being taken off, while under the old system the ryot not only loses the money entirely, but if he found water he would have had to pay an extra tax on the well. However, we must reserve our criticism of the able defence which the Government has put forward in support of the measure for a future occasion. At present we have restricted ourselves to facts and figures, but it is impossible to overrate the importance of facts and figures in a controversy of this nature.

THE JHALOD SETTLEMENT PAPERS.

(*Bombay Gazette*, August 21, 1884.)

We publish this morning the second and concluding portion of a very long Resolution* of the Government of Bombay on the Revenue Survey and assessment question. The Resolution brings together facts and arguments that constitute the Government case in regard to the extra assessment on land under which there is subsoil water. The preparation and publication of this exhaustive paper on the subject is a recognition of the claims of public opinion which deserves cordial acknowledgment. We cannot say, however, that the controversy has been carried beyond the point it had already reached. The Resolution is obviously a reply to our own criticisms on the policy of assessing the subsoil water. We always fully admitted that in theory it is quite right to charge more for land with water easily procurable for irrigation purposes, than for land to which water can only be brought from a great distance and at great expense. On that point we are at one with the Government; but as a practical question it has been found difficult, if not impossible, to ascertain that water exists under a particular field unless wells have been dug which show water is there. The land on which wells have been sunk at the expense of the ryot has its rates enhanced, while land in which no wells have been sunk escapes enhancement. The result is to discourage the sinking of wells. The Government holds, as we do, that it is for the general advantage that wells should be sunk, in order that cultivation may be rendered independent of any temporary failure of the rains, and it has on that account determined to abandon the assessment on wells. We urge that in effect the taxation of subsoil water, the existence of which can only be ascertained by the sinking of wells, tends to discourage well-sinking, just as the tax

* See Appendix.

on wells discouraged it. That is our case; and we do not find that it is weakened by the Resolution of Government which has just been issued.

(*Bombay Gazette*, August 26, 1884.)

The long and elaborate Resolution of the Bombay Government, dated the 25th July, on the assessment of land on account of the latent advantage of possessing sub-soil water we have republished *in extenso*. We congratulate the Government on the proof this Resolution affords of their readiness to meet public criticism on their action in an important question of public policy. The Resolution would appear to have been called forth by our criticisms on the new-old policy of taxing subsoil water, while exempting from assessment the wells dug by ryots at their own expense. This policy was announced in the Resolution of 26th March last. We pointed out that the result of such a policy would be to discourage the sinking of wells—the very thing which Government wished to avoid. Due note has been taken of our objections. We wish it was in our power to congratulate the Government equally on their having advanced a step further in the direction which we endeavoured to recommend to their favourable consideration. They have not done so, and we confess to a feeling of disappointment. The Resolution sets up a most elaborate defence of principles and doctrines which have been exploded in times past by the predecessors of the present Government, and makes proposals of which the impracticability and consequent inexpediency have been authoritatively proclaimed by the highest authorities on the question. In this respect, therefore, the Resolution is certainly very discouraging. Nor is the manner in which the document is drawn up less open to objection than the matter. It would

have clearly been more to the purpose if it had been stripped of a good deal of surplusage. In his anxiety to give us all he has to tell us in his favour, Mr. Monteath has burdened the Resolution with heaps of quotations. Thus not only are the main threads of his arguments obscured, but the reader has to exercise a considerable amount of patience in order to wade through the curious mixture of quotations which tell for and against the position sought to be established by Government. We say this because we are accustomed to official papers of a different stamp altogether. As a rule, the Resolutions of Government are models of concise, pointed, and clear reasoning and statement. We are of opinion that all the Resolution says on this vexed question of subsoil water taxation might have been stated tersely and sufficiently in a paper one-fifth of the dimensions of the Resolution—the more so as most of the references and quotations are not new, and might have been referred to, or given in marginal notes.

Now, as to the main issues of the controversy. It will be remembered that in commenting on the Resolution of the 26th March, while we thanked the Government for the announcement of the broad principle that in the assessment a ryot pays on his land, he also, in the opinion of Government, pays for the inherent advantages of subsoil water in it, we remarked that the proposal to enhance the assessment of such land by a scarcely noticeable increase of the soil rates was a new departure, which was not only inconsistent with the recognised principles of revenue survey, but was one which, on account of the difficulty of working it out in detail, was condemned by officers of very great experience in such matters, and set aside formerly as on the whole impolitic and inexpedient. At the same time, as Government had sanctioned an experiment of taxing sub-soil water advantages in the Jhalode subdivi-

sion of the Panch Mahals, we ventured to prefer a request that, among other things, we should be supplied with a copy of the papers connected with the revenue settlement of the 75 Khalsa villages of the Jhalode sub-division. The papers were not supplied to us, probably because the results of the experiment were not before Government. The Resolution now before us, while announcing the results of this experiment, takes occasion to go at considerable length into the merits of the question of the expediency or otherwise of taxing subsoil water. It seems to us that Government would have done well, while communicating this Resolution to the public, to publish at the same time the correspondence relating to the assessment of the 75 villages of the Jhalode sub-division, including the papers bearing on the results of this experiment; for the Resolution, although very elaborate as it stands, does not explain the process by which the most material point in the controversy has been established, namely, the mode adopted and the results arrived at in the assessment of the inherent water advantages of the soil. All the information which the Government vouchsafes in regard to this vital part of this interesting experiment is that "in classifying the land according to relative value, account has been taken of the inherent advantage of accessible subsoil water, the existence of which has been ascertained by a very careful investigation by skilled agency working under elaborate rules." We are, however, left in the dark as to the mode by which the existence of subsoil water in land has been ascertained, though we are ready to concede that the inquiry may have been very carefully made, and made by skilled agency working under elaborate rules. The agency cannot have arrived at the knowledge instinctively; and the communication of this information cannot be thought superfluous. But it would appear, from the

wording of the Resolution, that it is after all only "accessible subsoil water" of which the existence has been ascertained by this skilled agency working carefully under elaborate rules. The far larger question yet remains, namely, how are you to ascertain the existence of "inaccessible" sub-soil water? It would not perhaps be a difficult matter, we think, to ascertain the existence of sub-soil water, where such sub-soil water is accessible, *i.e.*, where access has been obtained by means of wells. By far the larger portion of the very vast acreage of land which it is proposed to assess on account of water advantage under the new departure in policy consists of subsoil water which is inaccessible wholly or partially, without some process of digging having been previously gone through. In regard to the treatment of this land, the Resolution is entirely silent as to how the skilled agency, working very carefully under elaborate rules, has succeeded in valuing its inherent water advantage. It is a matter of the most ordinary observation in Gujarat that of two wells side by side or only a few yards apart, the one is sweet and the other so brackish as to be utterly unfit for irrigation, and where the mere cleaning out of a sweet well, or deepening it but a very little, would allow a salt spring to break in and spoil the water. How is the classifier to tell at what depth water in a certain soil can be found, and what is the quality of it? Mr. Rogers, the most experienced revenue officer that Gujarat ever had, observed that "he (the classifier) cannot dig everywhere to ascertain, and it would be throwing too strong a temptation in the way of a man drawing perhaps from twenty to forty rupees a month to allow him to put down his surmises; officers of higher rank, above the suspicion of yielding to temptation, would simply throw up the attempt in despair." It is clearly wrong to throw the burden of proving the negative on the ryot, as

the Resolution directly forces him to do. The ryot will not dig a well, for the simple reason that under the Resolution his dry crop land will be assessed for assumed water properties, whether he uses the water or not. The survey officer will not dig the well for the purpose of ascertaining the depth of water. How, then, is the "command of water" to be ascertained? This has been all along our very first objection to the new proposal. And nothing is clearer than the admission by Government in the Resolution before us of the fact that this objection of ours is reasonable. Having thus made the admission, we think the Government is bound not to proceed with the proposal to tax subsoil water until a way is found to get over the difficulty. It is therefore not a little astounding to find that this admitted objection is treated so lightly. In para. 31 of the Resolution we are told that "the only reasonable objection is that subsoil water may be taken into account as an elementary value where it is not practically available. In other words, that the existence of subsoil water advantage cannot be safely inferred on any evidence short of its actual use." And how does Government get rid of this difficulty? The Resolution says "the best evidence of the existence of subsoil water is doubtless its actual use, but it cannot reasonably be asserted that all land capable of irrigation by wells is already under well irrigation." To this we say no; all lands which are capable of being watered by wells are not under well irrigation, and this is in part attributable to the fear that the making of new wells in these lands would subject them to extra assessment on account of the special water-rate. And it is this reason which should incline Government to treat such lands liberally in the interests of improved cultivation, after the recognition by Government of the broad principle that improvements are not to be taxed. It will thus be seen that

neither are the public a bit the wiser nor the peasantry the least likely to be benefited by this long Resolution, supplementary to that of the 26th March, though it must have cost the framer a great deal of time and trouble.

(*Times of India*, August 29, 1884.)

In a recent article we discussed the facts and figures connected with the revision settlement of the Jhalod Mahal in the Panch Mahals Collectorate, and we now propose to deal with the principle involved in charging a slightly enhanced rate for land which enjoys the advantage of subsoil water. The Sarvajanik Sabha, in their ably conducted journal, have stigmatised the action of Government as "a new departure in the land assessment policy." The Government Resolution, which we printed in full the other day, clearly shows that the policy of Government has been perfectly continuous in this matter, and it is ridiculous to speak of a new departure. We find that it was an old instruction by the Honourable Court of Directors that "land should be assessed according to its capability and not according to its produce." Mr. Williamson, Revenue Commissioner, wrote of the Indapur settlement in 1838:—"The power of affording water for irrigation is one of the most valuable capabilities of land, and to bear it in mind in fixing an assessment is therefore strictly consonant to the orders of the Hon. Court." Government, concurring with the Revenue Commissioner, resolved:—"The capability of the land depends as much on the facility for irrigation and local peculiarities, as it does on the colour, depth and other qualities of the soil. The principle, therefore, on which *bagayat* is assessed at higher rates than *jirayat* is one which must be admitted generally." A principle which was laid down half a century ago

is the one by which the Government intended to be guided can hardly by a stretch of language be called "a new departure." The Government have never since the day that Resolution was passed deviated from the principle laid down in it. In 1847 the Government again distinctly declared that the "command of water" was an advantage which raised the assessment, because it increased the productive power of the soil. The error made by Government was that they carried out a legitimate principle in an illegitimate manner. Instead of charging for the inherent quality of the soil they taxed the instrument which made use of it. This error the Government has now remedied. In March 1865 Sir Barrow Ellis, a man distinguished not only for his official ability, but for his sympathy with the people, wrote as follows:—"I have the honour to submit for the consideration of Government the propriety of abandoning in future survey settlements in Gujarat and Khandeish all assessment upon wells. The loss of revenue to Government I propose to make up by taxing the water-producing capability of soils, or, in other words, by slightly enhancing the valuation of land in which water is obtainable close to the surface." The two opponents to the present land policy of the Government always bring forward Captain Prescott as a witness on their side, and they always quote his words with scrupulous unfairness. The following we never fail to find:—"Everybody admits that the assessment of wells dug at the expense of private individuals and not by the State, is contrary to all principles," but the corollary is never given. "Water in the soil and very close to the surface is a gift of nature almost peculiar to the province of Gujarat. It ought, therefore, to be considered as one of the fertilizing elements of the soil, and its value incorporated and included in the soil assessment whenever it is practicable."

The quotations we have given clearly prove that the present policy of Government is no "new departure." In fact, to include a tax on water advantage in the classification of the capabilities of the soil is consistent with the whole method of the Bombay settlement system. The revenue, as figures show, gained from the cess on water advantages is very small, and Government might easily have won cheap popularity by sacrificing it, but in doing so they would have sacrificed one of the main principles of their system, which is to class soil according to the inherent qualities and fertilizing elements. The Government class *all* cultivable soil, whether under cultivation or waste, and they do this now once for all, and therefore they are bound to take notice of all inherent qualities which are to be covered by the payment of the ordinary rent, to use the words of Lord Ripon. The Government, in order to promote improvements by giving the ryot absolute assurance as to the enjoyment of improvements, class the soil, at what seems its relative value, once for all. They do not say this land is waste, so we class it low. It has its rent put on it like the rest, and when a man takes it up he pays that rent. As the Resolution points out, this is the only way in which Government can give the principle of a permanent settlement to the appreciation of every inherent quality of the soil. This great boon of a permanent settlement is the main point in the whole question. The problem to be solved was how to give it without any unnecessary sacrifice of public revenue. It has always to be borne in mind that the classification of relative values is fixed once for all at revision settlement and is not liable to alteration except in the interest of the occupant on proof of manifest error. Is there any private landlord in the world who, if he were going to let his estate on a lease of ninety-nine years, would not take into account the natural capabilities of every field?

The Government do not purpose to raise a ryot's rent in proportion to his receipts, but before making a fixed bargain, they say "it is only reasonable that a field which will make a large return to capital and labour should be rated at a value somewhat higher than a field which has not the same capabilities." There is not a trustee to a private estate who would not do the same. The increase of assessment at future revisions will depend solely on the advancement of the country and the rise of prices. The Government will have to spend millions in developing the land by railways and other public works, and it is only equitable that they should take a fraction of the enhanced value of the land to pay the interest of some of the money spent.

In our last article we said it was impossible to overrate the importance of facts and figures in a controversy of this nature. Unfortunately, there are people in this world on whom facts and figures seem to have no effect. A local contemporary, commenting on the Government Resolution, writes as follows:—"The land in which wells have been sunk at the expense of the ryot has its rates enhanced, while land in which no wells have been sunk escapes enhancement." Both these statements are exactly the reverse of the facts as explained in the Resolution. The land found under irrigation by the Survey is stated (paragraph 3) to have been 750 acres and the special water assessment Rs. 742, or, roughly, one rupee per acre. The new rate for subsoil water advantage is shown to be on the average about one anna per acre. So that the water rate on land in which wells have been sunk is *enhanced* by reducing it from one rupee to one anna per acre. Secondly, it is stated by our contemporary that "*land on which no wells have been sunk escapes enhancement.*" The Resolution shows that the new water rate, Rs. 796, at one anna per acre, is laid on about 12,000 acres, and as only 750 acres were found

by the Survey to be irrigated, it is clear that some 11,000 acres on which no wells have been sunk do not escape enhancement. It is evident that the writer could not have studied the Resolution. He informs us that it is too long, but this is hardly a sound apology for discussing a subject without first having acquired a knowledge of the facts and figures. The Resolution is long, because Government have made a great effort to make their policy plain to the *meanest intellectual capacity*. If they fail the fault lies not with them. We are told that putting a light tax on land that enjoys the advantage of subsoil water will discourage the digging of wells. We should like to have this statement explained and proved. There are beyond dispute thousands of acres in Jhalode not yet irrigated but capable of being irrigated with profit. A tenant who holds some of the acres finds that they are assessed permanently and for ever 6¼ per cent. higher than lands which are not irrigible, and that the fact of his digging a well will make no difference whatever in the assessment. How will this fact act on his mind, so as to discourage him from digging a well? We should have thought that having to pay for a certain inherent advantage in the soil would make a man do his utmost to turn that advantage to the best account. Under the old system, wells in Gujarat or elsewhere were commonly built with wholly or partially borrowed capital. It is easy to see, therefore, under the new system how much greater will be the cultivator's credit and his facility for borrowing when it is known and recognised that he can enjoy all the fruits of the expenditure without any modification in the valuation placed on his land.

(*Bombay Gazette*, August 30, 1884.)

In an article on the land assessment policy of the Bombay Government, a contemporary contests our assertion that the land in which wells have been sunk at the expense

of the ryot has its rates enhanced, while land in which no wells have been sunk escapes enhancement. The first part of the controverted statement is quite true in respect to the revision operations hitherto conducted in all Deccan districts. In these operations there is no feature more prominent than the fact that the direct assessment on existing wells has been taken off, and the dry crop lands irrigated by those wells have been assessed at the maximum dry crop rates. Can any one impugn the truth of this statement? One has only to refer to the revision settlement reports to be sure of the fact. The other part of the statement impugned is equally true of the revision operations, as they have been conducted in the Deccan so far and no better proof can be brought forward to show that the proposed policy of the Bombay Government is a departure from that hitherto in force than the fact that in Gujarat it is proposed to reverse the rule that has hitherto been observed in the Deccan revision, that is to say, instead of the lands irrigated by wells being assessed at the maximum dry-crop rates, it is proposed to assess all dry-crop lands, whether irrigated by wells or not, which are supposed to possess inherent water advantage, by what is called a slight enhancement of rates. Upon some other of our contemporary's arguments we shall have something to say in a day or two.

(*Bombay Gazette*, September 4, 1881.)

As we pointed out in a former article, the Government Resolution of the 28th July, while admitting the difficulty of accurately diagnosing the inherent water advantages in land, offers no practical solution of it, although it will have to be looked in the face during the ensuing revision operations in Gujarat. And yet we are told that a new

[illegible] mentioned which consists of a "slight" increase in the assessment of all lands, though the existence of such a [illegible] is at best a matter of uncertainty. The most [illegible] with in the Resolution is the smallness of the increase in the assessment. This it is attempted to explain from the result of the experiment in the Jhalode Mahal. From that experiment it is contended that the portion of the whole assessment of the occupied land due to application of water [illegible] as an element of classification value was Rs. 795 out of a total of Rs. 50,972-8, whereas the special assessment on account of the well-tax abandoned by Government is Rs. 712-4, the difference under the two systems being therefore quite nominal. The impression which would naturally be left on the mind by the Resolution is that the proposed levy of a sub-soil water tax on the occupied jerayet lands is so small that it is scarcely worth noticing. Now if the charge were as trifling as is here inferred, would not this be a sufficient reason, apart from other considerations, for not taking a subsoil water-rate to the land assessment? The sacrifice on the part of Government in abandoning it would be admittedly small, while the tangible proof which that sacrifice would afford to the ryot of the earnestness of Government's desire to encourage the irrigation of wells would afford a direct stimulus to the sinking of wells in Gujarat. But we cannot admit that the substitution of one system for the other, and the treatment of dry-crop lands as natural bagayet, will be a small or nominal addition to the soil rates. On this subject we may cite the evidence of an experienced officer of Government, Major Prescott, late Superintendent of Revenue Survey in Gujarat, who, in para. 27 of his report of 24th June, 1864, says:—"I do not think also that the increase of assessment upon the dry-crop lands, required to make up for the abandonment of a garden assessment, will

always be so inappreciable in amount as Mr. Ellis expects. In Chiklee, for instance, the assessment of cultivated dry-crop lands will be about Rs. 1,30,000, and of garden lands (not including rate) about Rs. 65,000. Deducting those dry-crop lands in which, from their elevated situation or other reasons, there is no probability of water being obtained, the rate of increase in the dry-crop assessment required to make up for the relinquishment of a separate garden assessment would certainly be not less than annas eight in the rupee, and we should, I fear, run a great risk of throwing much land out of cultivation." There is indeed a vague suspicion lurking in the mind of Government that the zeal of the Survey Officer may carry him too far in the direction of a higher valuation of water advantage, for the simple reason that the new system leaves very much to the discretion of the officer in charge of the work. The apprehensions of Government on this score are plainly indicated in the Resolution before us. In para. 27 a warning note is sounded by Government when it is observed that "whether that experiment will be successful or not, will depend (1) on the moderation of the rating for subsoil water advantage, and (2) on the accuracy with which that advantage is diagnosed." Here it may be asked, what is the guarantee to the ryot that this subsoil water charge will not be heavy, especially when the burden of proof is thrown, not upon the Survey Officer but upon the ryot? Again, the new system appears to take for granted that in all districts and villages in Gujarat one uniform proportion can be maintained between wet-crop and dry-crop rates, or rather between the dry-crop rates of lands in which water is procurable, and that of lands in which it is not so procurable. There is reason to fear that the new system will so operate as to cause a disturbance of this proportion. It has done so in

the past. In the original settlement of Chikli and other villages of Surat, for instance, where a great deal of superior garden and rice-land is to be met with, and where the dry-crop soils are of inferior quality, it is a matter of history that when higher rates were proposed to be levied on dry-crop lands the ryots put all their capital, labour, and manure upon their wet lands, and grew only grass or the commonest grains in their dry soils. The result was that the cultivation of dry-crop lands was so slovenly that the Survey Department found it absolutely necessary to reduce the dry-crop rates, which it imposed upon other considerations. Are the Government now prepared to see the ryots of Gujarat adopt a more slovenly cultivation of their dry-crop lands? For this, we take it, would be one effect of their policy.

It is, moreover, worthy of note that in the particular instance put forward to show the nominal character of this subsoil rating in the Jhalode Mahal, the proportion of occupied land to the cultivable land of the whole Mahal is scarcely over two-fifths, and the portion assessed to inherent water advantage is about one-third of the occupied area. A more backward district it would scarcely have been possible to choose, seeing that the results of the experiment are to form the basis of an arrangement applicable to the whole of Gujarat. It is well known that Jhalode and its neighbouring district of Dohad are in a very isolated position. They are peopled mostly by Bhils, Naikras, and other aboriginal tribes, whom, it is acknowledged on all hands, nothing but the offer of unusual advantages would induce to undertake any real agricultural enterprise. Are these the people who are most likely to be encouraged to dig a well on finding their fields assessed 8 or 10 per cent. higher by the Survey Officer on account of water lying dormant at 30 or 40 feet below the surface? It is certain

that it will be very long indeed before these people will be brought to discount the effect of the higher assessment by endeavouring to utilize the dormant water by means of a well. On the contrary, we should not be surprised to see them throw up their land if they knew that the assessment comprised a charge for water which they could not directly turn to account for the purposes of irrigation. The Jhalode Mahal would appear to be a sub-division of the Panch Mahals, of which the special need is an increase in the number of settlers. Now, how can settlers be induced to take up lands under the new system, when, in addition to the difficulty of finding agricultural labour in the district, there is the discouragement arising out of the land being burdened on account of [illegible] advantage which they can only realize by an extra expenditure of capital and labour? Government are aware of the failure of their efforts to induce immigrants to settle in the Panch Mahals district. We have the authority of the last Administration Report for saying that in 1882-83 only one person offered to settle there if more favourable terms were granted him. Greater liberality must be shown if the object is to induce new settlers to occupy land in the Panch Mahals, and to encourage the present occupants not to rest satisfied with the dom[illegible] lands, but to sink more wells in order [illegible] yield two crops where they now yield only one.

(*Po[illegible]* [illegible])

In a Government Resolution on the Revenue Survey in Ahmednuggur which we published [illegible], it was remarked that "it would be well if writers on land revenue settlements would avail themselves of the statistics accessible in the registration offices." Upon this it is only necessary to re-

mark that we ourselves, before dealing with this question, made careful researches in the official literature, and that we thus brought to light facts whose existence the Government appeared to have forgotten. The observation, so far as we are concerned, is therefore scarcely necessary; but we fully approve of the practice of painstaking inquiry which is recommended. The Resolution of the 25th July went at great length into the history of the policy of the Government in this question of water assessment, going back to an old instruction from the Court of Directors But it seems to have been overlooked that neither the existence nor the theoretical fairness of the principle of that instruction, as laid down by the Court of Directors or in the Joint Rules, is denied. Nothing is more clear at the same time, from the extracts quoted in the Resolution, than that ever since the promulgation of that principle fifty years ago, Government has been cautious in limiting it to practical cases, where it could be legitimately applied. Its first application was obviously in the case of wells which afforded the direct evidence of the existence of this "command of water" in the original land settlements, as first introduced into the Deccan and then followed up in Gujarat. We are now told that the mode adopted in all original settlements—that of taxing wells in lieu of taxing subsoil water—was faulty. The error made by Government was that they carried out a legitimate principle in an illegitimate manner. Instead of charging for the inherent quality of the soil, they taxed the instrument which made use of it. This error the Government has now remedied." But although it is very easy for the defender of the course adopted by the present Government to find fault with a former Government of Bombay, there is a complete answer to this. A separate tax on wells found to exist at the time of the original settlement was laid on, apart from the soil rate, because, in the first

place, the well was at once the most earnest proof to the survey officer not only of the existence of subsoil water in the land, but of the advantage derived by the ryot from the use of such water ; and secondly, because should the well fall in, or its water become brackish or unfit for irrigation, the assessment could be easily cancelled. This could not be done, at least not so easily, if the assessment for the water advantage formed part of the soil rate. Mr. W. B. Beyts strongly opposed any change from the assessment of wells to the enhancement of soil rates. In his Settlement Report (para. 27) of the Olpar taluka of the Surat Collectorate, he says :—" Mr. Shambhuprasad proposed that the usual practice of assessing the wells should be abandoned for the apparently simple process of fixing a bagayat rate of ten rupees on the acre. I strongly objected to the proposal, as it was an unnecessary innovation, and seemed indirectly to reflect on the system Major Prescott, with the sanction of Government, adopted for Chowrasi. The system of well-assessment has been arrived at after years of careful investigation and trial. I therefore cannot for a moment admit the necessity of falling back *on a plan which is, both in theory and practice, defective.*" These words express the view of the most experienced Settlement Officer in Gujarat.

If this system of well-assessment is now to be considered an " error " in the assessment of land, it must be held to be an error common to all original assessments in the Presidency, and the rectification of the error cannot fairly be made in one class of resettlement operations, without being made in the others. That is to say, the error, if it is an error, must be remedied in respect of all revision operations in the Presidency, in the Deccan as well as in the Gujarat districts. It would be manifestly unfair to confine the correction of the error to only one set of revision operations. A

limited correction of the error would vitiate all our re-settlements throughout the Presidency, since it would come to this, that whereas jerayat lands in the Deccan districts irrigated by wells are to be assessed with the highest dry-crop rates, land similarly situated, and other lands which number facility for irrigation among their qualities, are to be dealt with differently, in other words, are to have their soil rates enhanced, whether they make use of the water or not. We put it to Government to say whether the proposal for Gujarat has any counterpart in the Deccan re-settlements. But though a well-tax was the chief mode in which the State's claim for command of water in land was levied in first settlements, in Gujarat the principle was carried a step further. This consisted in the rating of natural bagayat lands at the higher classification value, ranging from twenty to twenty-four annas, or from four to eight annas higher than the ordinary classification value of sixteen annas. Mr. J. W. Robertson, Collector of Surat, wrote in November, 1865, that "considerable objection has been raised at the quantity of land assessed at bagayat rates, under which head had been included not only lands now under cultivation, watered from rivers and wells, but likewise those capable of being so." This was done in the case of Chiklee. In the Soopa settlement, Mr. Beyts remarks:—"By our system of classification, introduced by Major Prescott, and peculiar to this survey a very large area of well-watered land has been included in natural bagayat, and a distinct classification made owing to superior soil and permanent sweet water resources lying a little depth below the surface. Wells in such lands have no direct assessment, but a fair rate is put on the land by virtue of its intrinsic superiority over jerayat lands." Thus all natural bagayat lands where water was found very near the surface had their water facilities duly assessed.

No stone was, in fact, left unturned to obtain for the State every legitimate revenue derivable from the taxation of the irrigable quality of natural bagayat land. In the extension of the principle to dry-crop lands, however, it was thought that it would be difficult to carry out the taxation of the water-producing powers of the land sufficiently to compensate for the abandonment of the direct well-tax. Accordingly, the Government of Sir Bartle Frere deferred the practical enforcement of the principle to the next revision by a Resolution dated the 8th June, 1866. The question, however, came before Government, in one shape or other in connection with settlement operations in the Deccan. And we have the clearest evidence before us, in the correspondence quoted in the Resolution of the 27th July, that the Government of Sir Bartle Frere cut the gordian knot of the whole controversy in a remarkably clear and well-argued Resolution, No. 1211, dated the 27th March, 1868; the Government reviewed the *pros* and *cons* of the question, admitting the theoretical correctness of the principle of taxing subsoil water. "There is, however," said the Resolution, "a point at which this principle (of taxing subsoil water) must be modified; for when the land is such that when water is not brought to it, it will bear nothing, and when water is used it will yield a fine crop, then even a light tax in the former case is impossible." These words deserve to be carefully noted. The Resolution adds:—"It must be held that the right of Government to levy a rate by virtue of the water below the surface is held in abeyance or dormant till the water is produced, but it is doubted greatly, even in this extreme case, whether it is politic, though it may be asserted to be just, to levy more than would be leviable from first-class rice ground, which enjoys also the benefits of water, not created, it is true, by the tenant, but utilized by means

of his preparation of the ground." This Resolution of Sir Bartle Frere's Government for the time put an end to what was a very hot controversy. It set aside the previous Resolution of the 8th June, 1866, which committed the Government to a reconsideration of the merits of a system of assessing the water-producing qualities of the soil "whenever a next revision takes place." That the controversy might not be revived, it laid down authoritatively that "even a light tax is impossible" in cases in which water is not brought to the surface and the soil consequently bears no crop, and that the right of Government to levy a rate by virtue of the water below the surface is in abeyance or dormant until this water is produced. Can there be any doubt here that the Government, in this Resolution, declared itself in favour of the system of assessing at the highest dry-crop rates lands irrigated by wells, in preference to the other proposal of rating all jerayat lands slightly higher on account of water facilities? And yet nothing is more surprising than to find, in para. 18 of the Resolution of July 25, Government drawing an inference from the Resolution of March, 1868, that the Bombay Government of 1868 declared its preference of subsoil taxation. We maintain that the local Government of 1868 did nothing of the kind. On the contrary, it inculcated the sound doctrine which governs many other measures of Government. As our correspondent "J. R." pointed out a few days ago, it is the principle of the Treasure Trove Act, which provides, and provides justly, that Government have right to a reasonable share in the treasure if actually found, and which is capable of appropriation so as to be profitable to the finder. Again, the country abounds in many valuable minerals. But no occupant of land would be subject to royalty on account of coal or ironstone which the lands may be supposed to contain, until such minerals

were brought to the surface. A piece of land at present used for the grazing of cattle cannot justly be charged with water-bearing capacity because hereafter it may possibly be turned into cultivated land. But while the Government of Bombay thus modified the old principle of taxing the "command of water" by means of a departmental Resolution in 1868, the principle received a further confirmation from the final and conclusive decision of the highest authority in all such questions. In 1879 a similar question arose in connection with the Bombay Irrigation Bill, when the taxing of land for facilities for water derived from subsoil percolation from a canal running close by was advocated by Colonel Anderson. And although the Bill was passed through all its stages in the Bombay Legislative Council in 1879, it was vetoed by the Secretary of State on the ground that the policy was disallowed in 1869 by the Duke of Argyll when Secretary of State for India. Accordingly, Colonel Merriman had to move in the local Legislative Council in March, 1880, the first reading of the Irrigation Act Amendment Bill, expunging the clauses relating to the taxation of percolation or subsoil water in lands which did not use the water of the canals. The principle being thus rejected in the case of canal percolation, stands obviously condemned in the case of dry-crop land percolation. It is hard to understand what object can be served by reviving exploded theories, or doctrines condemned by the highest authorities, especially in districts where climate has a great deal more to do with the increase of agricultural produce than moisture in the soil or the cultivator's silk. Any one who has some experience of Gujarat knows well enough that for full four months, from March to June or July, a burning hot wind blowing in the inland parts from Baroda to Ahmedabad and northward absorbs every particle of moisture in the soil. Most

of the banks are dried up, and water in the ordinary wells sinks to a considerable depth. What, then, becomes of the subsoil water in the land? We maintain that in the original settlements in Gujarat all that need be done in the matter of taxing water near the surface has been done already, and any further proceedings in this direction will only unsettle people's minds and confirm their apprehensions in the matter. We trust Government will yet see its way to a wiser course, which it can adopt with a due regard to the interests of all concerned.

(*Times of India*, September 26, 1884.)

It is a nice question in casuistry whether it is more culpable to criticise a document without having read it, or having read it, to misunderstand its plain meaning. A short time ago we pointed out that our local contemporary had put forward two propositions regarding the Government land policy, which were absolutely wrong, as the writer might have learnt from the Government Resolution which he was criticising, if he had taken the trouble to read it. The defence was charmingly original and naive. We were told that the propositions applied to the Deccan revision settlements. But there was no mention of the Deccan in the article. The writer was discussing the Jhalode settlement in Gujarat and the Government Resolution on it. If he meant Deccan, why did he not say Deccan? Propositions applicable to the Deccan are not conclusive or applicable against the Jhalode settlement, which is based on different principles. The propositions put forward by the writer were that (1) "the land on which wells have been sunk at the expense of the ryot has its rates enhanced; (2) lands on which no wells have been sunk escape enhancement." We proved from figures taken

from the Resolution that these statements, as far as Jhalode was concerned, were absolutely false. The writer admitted this, but said they were true of the Deccan. A few days later, however, in another article, the public were solemnly warned that in Gujarat it was proposed to reverse the rule that had hitherto been pursued in the Deccan. This ought to have been a matter of congratulation instead of sorrow to our contemporary. The main object of his previous article was to prove that the policy of Government in the Deccan discouraged the digging of wells. He, therefore, could only disapprove of the Jhalode settlement because it was a departure from a system which discouraged the digging of wells. The writer evidently has an inability or a positive distaste amounting to inability for a science of logic.

An inability for logic may be pardoned, but an inability to state facts fairly and clearly cannot be forgiven. Discussing the revision operations conducted in all Deccan districts, the writer boldly states :—"In these operations there is no feature more prominent than the fact that the direct assessment on *existing* wells has been taken off and the dry-crop lands irrigated by those wells have been assessed at the maximum dry-crop rates. Can any one impugn the truth of the statement? One has only to refer to the revision settlement reports to be sure of the fact." If the writer had been honest he would have explained that of the existing wells some were made before and some after the settlement. On the former an additional charge has been imposed up to the highest dry-crop rates, but the latter have been exempted from additional rates attributable to the wells. Even with regard to wells dug before the settlement, an addition to the dry-crop assessment has not been made in any arbitrary manner. The writer might have learnt this fact by reading the Resolution, which states that "it must not be supposed that all land

watered by old wells was assessed on revision at the maximum dry-crop rates. The addition made to the ordinary classification was regulated by a scale, so that a smaller addition was made in proportion as the ordinary classification was lower or the land of inferior quality, and no addition was made on the lowest qualities of soil, or technically on soils classed at four annas or under." Nothing could be more distinct than the above passage. If the writer had taken the trouble to read the settlement reports to which he so confidently referred, he must have learnt that by bringing the assessment on old wells (existing at the original settlement) down to the maximum *jirayat* rate and much below it, the water assessment on the lands under those old wells was greatly reduced instead of being enhanced. We, therefore, find that the writer's proposition that "the land on which wells have been sunk at the expense of the ryot has its rates enhanced," is not only, as the writer admits, false regarding the Jhalode settlement, but it is inaccurate so far as the Deccan is concerned.

After having stated that the Government policy discouraged the digging of wells which was opposite to the hard reality, our contemporary, with strange blindness, proceeds to uphold direct taxation of wells. We always thought all economists were agreed that to tax a man for improvements which have been made out of his abstinence and labour was to rob him of the fruits of his industry. The great blot in our revenue system in the past was the direct taxation of wells. To remove this blot is the chief aim and object of the present policy of the Government. They say to the ryot:—"For the land as it now is, you shall pay; for the improved land in the degree to which you improve it, you shall not pay." The writer in our contemporary says:—"For the improved land in the degree to which you improve it you shall pay a direct tax." The

only persons to whom such a policy can possibly commend itself are men who hope some day to be themselves· landlords. To support so retrograde a policy the writer cannot bring forward the opinion of any economist of repute, but he gives us the opinion of Mr. Beyts, of the Gujarat Survey. This gentleman was an Assistant Superintendent at the time when he wrote, and he objected to a proposal to abandon the usual practice of assessing wells because it "seemed indirectly to reflect on the system of Major Prescott." This speaks highly for Mr. Beyts's official loyalty, but it is hardly sufficient to destroy our belief in an economic axiom. The Government, however, has, ever since 1868, everywhere abandoned the practice of assessing wells in revision, and Major Prescott himself was from the first an advocate for putting the full assessment on the soil. The writer might have discovered this if he had taken the trouble to read the Resolution. In the Resolution we find the following remarks made by Major Prescott:—"Everybody admits that the assessment of wells dug at the expense of private individuals, not by the State, is contrary to all principle." He further added:—"Water in the soil, and very close to the surface, is a gift of nature almost peculiar to the province of Gujarat. It ought, therefore, to be considered as one of the fertilizing elements of the soil and its value included in the soil assessment whenever it is practicable." Mr. Beyts, whose opinion our contemporary seems to value greatly, himself argued against the remission of the rates on old wells, which, as he stated, had been usually constructed under *ganwals* giving a full remission of garden rates for twenty-five years, but proposed that "the remission should be delayed until the revision settlements became due, or on the expiration of the present lease, when the re-classification upon a method suggested by long experience would enable Government to cancel direct well-

taxation with advantage" ; and he added :—" What is injudicious now may be justified then by extension of the natural *bagayat* assessment *in a manner which should not be felt by the people.*" If the writer in our contemporary had studied the settlement reports, he would have discovered that almost all the best settlement officers objected on principle to the direct taxation of wells, and they looked forward to the revision settlements as the opportunity of abandoning all well assessments of every description and at the same time of slightly adding to the soil valuation of those lands in which it believed that wells can be dug with fair ease and at moderate expense. To the present Government has been afforded the opportunity, and they have taken advantage of it and so carried out the settled policy of their predecessors. The system of direct well assessment has always been considered an error by the best revenue officers, and the error has been corrected everywhere alike, but by one method in the Deccan and another in Guzerat, because the same method would not work in both. The Guzerat method has also been applied when it was possible in the Deccan and Sind. The writer rashly says :—" We put it to the Government to say whether the proposal for Gujarat has any counterpart in the Deccan re-settlement." There is not the slightest need of his putting the matter to Government, for it has already in para 24 of the Resolution stated that " at the same time the other, and as the Government has considered, preferable method has not been found altogether impracticable in the southern districts ; for as revision operations advanced from the dry districts of the Deccan to others with greater command of subsoil water, *notably those of the Southern Mahratta Country, the principle of slightly raising the classification value on acconnt of command of water was adopted.*" The words are not difficult to understand. But our contemporary has inform-

ed the public that the Resolution was too long to read. The writer fails to understand that the system now adopted in Gujarat is no departure even from the system adopted by Government in the Deccan. The Deccan system is merely one phase of the policy by which Government seeks to get rid of special well assessments altogether. The undulating nature of the country in the Deccan and the difficulty of estimating the subsoil advantages of the land tended to dwarf the policy of Government, because it was dangerous to go beyond the evidence of existing wells as to subsoil water advantage. In level Gujarat an opportunity offers to carry out the policy to its full extent, and the result is Government hope to place old and new wells exactly on the same footing, extending to the lands which contain them precisely the same treatment. So far from being a departure, the Government are most anxious that the principle which they adopted in 1868 should be carried out to its fullest extent when an opportunity really exists for doing so.

(*Bombay Gazette*, September 30, 1884.)

We should think better of our local contemporary's opinion on the land revenue policy of Government were we satisfied that it is the outcome of a careful study of the subject. This, however, is so far from being the case, that we are sure our contemporary has no decided opinion worthy of the name in the matter. The writer of the article in which our observations on this subject were criticised errs chiefly because of a sad want of practical knowledge of the details of the subject. The best of our district Collectors in this Presidency, to whom the points raised by us are matters of practical experience, must see that our contemporary has resorted, in the absence of better arguments, to

mere quibbling. The writer lays great store on his knowledge of the science of logic, but he should not forget that after all logic has to work upon facts, and that if the premises from which he starts are wrong, his conclusions cannot be right. Again, it is not an uncommon thing to see those who presume too much upon their logical astuteness have recourse to statements, which to ordinary minds, seem puerile. What can be more childish, for instance, than to say that we did not specifically mention the word "Deccan," in connection with the two propositions the truth of which the writer was controverting? We reply that we so far credited him with enough of familiarity with the literature of land revenue settlements in this Presidency as to suppose that he was not ignorant of the most simple fact that no revision settlements of land have as yet been effected in Gujarat, that in the Deccan re-settlement operations have been going on for so many years and will shortly be brought to a close, and that any action taken by Government in respect of such operations cannot have referred to a part of the Presidency other than the Deccan. We were hardly prepared to learn that the mention of the Deccan was necessary to make it plain to the understanding of the writer to which part of the Presidency our propositions did apply. Again, he misrepresents us entirely when he says that our object was to prove that the policy of Government in the Deccan discouraged the digging of wells, and that therefore we could only disapprove of the Jhalode settlement because "it was a departure from a system which discouraged the digging of wells." No twisting of any language in our articles can bear out the meaning that is here sought to be put upon it. On the contrary, the latest Resolution on the re-settlement operations of the Parner taluka of the Ahmednuggur district, published by Government more than a week ago, confirms re-

markably what we have all along maintained, that in the Deccan re-settlements the direct assessment on old wells is taken off and in lieu thereof the land irrigated by such wells is charged with the maximum dry-crop rates in the taluka; whereas what is proposed to be done in Gujarat at the approaching re-settlements is not to levy maximum dry crop rates on lands irrigated by old wells, as in the Deccan, but to assess all dry-crop lands, whether irrigated by wells or not, which are supposed to possess inherent water advantage, by what is called a slight enhancement of rates. Lest our meaning may again be misrepresented, we give the words of Colonel Laughton :—"Land under old wells formerly assessed has been rated within the proposed maximum dry-crop rate." Now, the effect of charging the highest dry-crop rates on lands irrigated by old wells would be to increase the average assessment on such lands; but there is a decrease in this average assessment, and this is explained by Colonel Laughton as due to "the fact that whereas Lieutenant G. S. A. Anderson applied Rs. 3 and Rs. 4 maximum rates to such lands at the revision survey, only 4 annas have been added to the ordinary classification rate on land under old wells." If our critic had been posted in the facts of this well-assessment question, he would have seen at once that our statement regarding the direct assessment on existing wells can refer to none else but old wells, dug before the introduction of the original settlement.

There has been no question throughout this controversy in respect of new wells, that is to say, wells dug during the currency of the original settlement. Such new wells, whether dug in the Deccan or in Gujarat, are treated all alike, that is to say, no additional assessment is levied either directly on them or on the lands watered by them. Government have foregone this assessment, with the ex-

press purpose of giving a stimulus to the digging of wells throughout the Presidency. This assessment on new wells was not given up at our suggestion. Government thought fit to do it when Bombay Act I. of 1865 was passed, in pursuance of a wise economic principle. And this abandonment was pure and absolute. Government did not seek to be compensated for the loss thus caused to revenue by spreading the amount of such loss on lands watered by new wells. Our contention is that a strict adherence to the same wise economic principle requires that this abandonment of assessment should be made absolute in the case of old wells, as it has been made in the case of new wells. What, we ask, have the owners of the old wells done to justify the continuance of this levy, not directly indeed on the wells, but on the lands and on all dry-crop lands which number facility of irrigation among their qualities, as is proposed to be done in Gujarat? Is it because the owners of old wells were in advance of the age in sinking their wells that they, or the land situated near their wells, should be treated with such strange illiberality? But if it was a punishment to their owners, it would appear that they have paid all the penalty of their folly for sinking wells at a time when few people sunk them, in the fact that for the last thirty years or more they have been paying rates directly on their wells. Is not this penalty enough for their sins in venturing to be in advance of their age? No. The Government tell them in effect, "Owners of old wells, you acted most rashly and foolishly in having sunk wells in advance of your neighbours and in anticipation of the Government assurance, legalised by Act I. of 1865, that all new wells dug during the currency of a settlement shall be absolutely exempted. It is true you have paid the penalty of this folly by the assessment on your wells which you have paid for the last thirty years

and upwards. But Government consider your folly to be so great that they cannot let you off so easily. You must regard it as a precious boon if, instead of making a direct charge on your wells, they spread the loss over lands watered by your wells in the shape of the highest dry-crop rates, as in the Deccan or on all jerayat lands which have subsoil water lying dormant in them. This should be a matter of congratulation instead of sorrow to you." The owners of old wells may rue the day when fate led, or rather misled, them into sinking capital in wells, now that the Government think that this treatment of those who make improvements in soils in the shape of wells is best calculated to give a stimulus to well-digging throughout this Presidency. And it should be remembered that this policy has been resolved upon by the Bombay Government after the declaration that they were prepared even for a small sacrifice of the revenue at present obtained from well assessment, if that sacrifice had the effect of encouraging the sinking of wells throughout the country. Sir Auckland Colvin announced this wise and liberal policy in the clearest terms in his last Budget Statement. And yet, in spite of this announcement, the local Government thinks that the loss caused by the abandonment of well assessment cannot be put up with, and that if it cannot be levied directly on wells it must be levied indirectly on lands. We have unavailingly asked over and over again to be furnished with some idea as to the possible amount of loss that will be caused to the State if this absolute abandonment of direct assessment on wells were effected. Until some idea is given of the loss likely to accrue to Government if the more liberal policy which the Government of India desire to pursue were adopted, we cannot say whether the loss is not one which a State landlord in the permanent interests of its peasantry may well put up with.

Our contemporary while sophistically harping upon mere words, hardly touches the main issues which we have raised. We admitted that in the Resolution of the Bombay Government, of June 8, 1866, they directed that "whenever a revision takes place the Survey Commissioners and Superintendents should consider whether the special rates imposed on existing wells may not be got rid of without a great sacrifice of revenue." But revision operations began in the Deccan the very next year after the passing of this Resolution, and Sir George Wingate from that province, and Major Prescott from Gujarat, again pressed the same points upon the notice of Government. Accordingly the Government of Sir Bartle Frere gave a finality to the hesitating policy of Government by declaring that "when the land is such that when water is not brought to it, it will bear nothing, and when water is used, it will yield a fine crop, then even a light tax in the former case is impossible." The Government of the day further declared that "it must be held that the right of Government to levy a rate by virtue of the water below the surface is in abeyance or dormant till the water is produced; but it is doubted greatly, even in this extreme case, whether it is politic, though it may be asserted to be just, to levy more than would be leviable from first-class rice-ground which enjoys also the benefits of water, not created, it is true, by the tenant, but utilised by means of his preparation of ground!" Here the Government of Sir Bartle Frere, concurring in the views of Sir George Wingate that land can only acquire value when capital supplies the means in the shape of a well for raising the subterranean water to the surface, emphatically declared that while it is impossible to levy even a slight rate on dormant subsoil water, public policy requires that, even when brought to the surface, such water, that is to say, the well containing it, should be

exempted from assessment. The Resolution, we repeat, thus gave a finality to the policy of Government. It is dated March 27, 1868, having been passed about 21 months after the Resolution of June, 1866. We put it to our contemporary whether this Resolution of 1868 did not virtually supercede the Resolution of June, 1866 ? If so, why harp upon the statement in the latter Resolution about the consideration of this question "whenever a new revision takes place ?" Our first ground of objection to the new policy of Government, therefore, is that Government gave a finality to the question on the ground of public policy, and that to upset this decision is to shake the faith of the people in a pledge given by a former Government. What has our contemporary to say to this ? Why has he failed to answer it ? Our second objection is that the principle of exempting land from assessment on account of subsoil water advantage in the case of land percolated by canal water received the sanction of the Secretary of State in 1877. Our third objection is that subsoil rating, if carried out, would cause a disturbance in the present proportion of rates on wet and dry-crop soils, which will result in throwing out of cultivation the dry-crop lands of a village. Our fourth objection is grounded upon the extreme difficulty of practically carrying out this principle with justice to occupants of different kinds of soils generally. And finally, it will create an amount of disappointment and distrust in the minds of the peasantry of Gujarat —a point of far greater importance politically and morally to Government, compared to which the addition of a paltry thousand rupees to the State treasury would be of no moment. We are so convinced of the impolicy of the measure that we trust that Government will yet see their way to rescind it, disregarding the apology of our contemporary. But if the Government of Bombay shut their eyes

to the mischief their policy is likely to work, we trust higher authorities will intervene, and check the discontent before it makes any further progress among the industrious agriculturists of Gujarat.

(*Times of India*, October 10, 1884.)

To expose all the mistatement of facts which have appeared in our contemporary regarding the Government Land Policy is both arduous and tedious, and we fear as little profitable as flogging a dead horse. The subject is not of any interest to the general reader, and experts can place the right value on inaccurate statements. There are, however, a large class of persons who are willing to believe any evil of the Government, and these persons may be influenced by the lucubrations of the writer in question. They may inspire suspicion in the Bucolic mind when the measures of Government were entirely taken to remove it. For this reason we must again burden our readers with a somewhat monotonous exposure of inaccurate and misleading statements. The attempt to follow any reason or argument in such a chaos is we find hopeless. The writer in his last article informs the public that two statements made in his previous article must have referred to the Deccan, because there have been no revision settlements in Gujarat. Yet the statements were made in an article purporting to be a criticism of a revision settlement in Gujarat, and the two propositions pointed out one or two supposed faults of that settlement in terms exactly the reverse of the facts. However, we have shown that the propositions are equally false of the Deccan, and if they were true a departure from them in Gujarat must be praiseworthy. The writer informs us that logic must be found on correct facts, but he seems to have a solemn scorn of facts. He writes about

people "finding their fields assessed 8 or 10 per cent. higher by the survey officer on account of water lying dormant at 33 or 40 feet below the surface." In Jhalod no land has had a pie added to its dry crop rate unless water is within 22 feet of the surface. It would be better to seek for accurate information than to guess wildly. The writer informs us, "a more backward district it would scarcely have been possible to *choose*, seeing that the results of the experiment are to form the basis of an arrangement applicable to the whole of Gujarat." This is a *suggestio falsi*. It was not chosen. The Mahâl happened to fall in first for revision, and the Survey had orders to apply the new policy if possible. The writer remarks—"Here it may be asked what is the guarantee to the ryots that this subsoil water charge will not be heavy, especially when the burden of proof is thrown not upon the Survey officer but upon the ryot." The best guarantee is the declaration of Government that this increase to the dry crop rates will be a "scarcely noticeable one." The increase in the Jhalod settlement, as is shown by figures given in the Government Resolution, is very slight, and when Government break their pledge then will be the fitting time to take them to task.

It is almost an impossible task to give an exhaustive catalogue of all the errors committed by the writer in our contemporary. There are, however, certain events which we consider that a writer on Bombay subjects should know. He writes: "And we have the clearest evidence before us, in the correspondence quoted in the Resolution of the 25th July, that the Government of Sir Bartle Frere cut the gordian knot of the whole controversy in a remarkably clear and well argued Resolution, No. 12, *dated 27th March* 1868." Most people are aware of the fact that Sir Bartle Frere was not in office in 1868. His time of Government expired in

1867. The Resolution of 1868 is not as clear and well argued as it might be, but this does not justify a writer deliberately misquoting it. The purport of the Resolution is, however, perfectly clear: it distinctly advocates the policy of highly taxing the soil instead of specially assessing wells. There is a passage so worded as to give a hold for misrepresentation, and this passage the writer of course quotes. "There is, however," said the Resolution, "a point at which this principle (of taxing subsoil water) must be modified; for when the land is such that when water is not brought to it, it will bear nothing, and when water is used it will yield a fine crop, then even a higher tax in the former case is impossible. *These words deserve to be carefully noted.*" They do as an example how dishonest the writer can be. He has left out the words which qualify the whole passage—"Of this class are the sandy tracts in the Konkan, which under the influence of water became cocoanut gardens." The reference as can easily be seen is to the tracts in which the ordinary rate will not fructify. This proviso of Government does not refer at all to ordinary dry crop land for which the first portion of the paragraph provides. The writer says, "We put it to our contemporary whether this Resolution of 1868 did not virtually supersede the Resolution of June 1866." It most certainly did not rescind the orders of 1866 as regards tracts to which they can be applied. The following from the Resolution of 1868 is very plain and decisive:—"His Excellency in Council, however, considers that the first principle of its taxation should be that which governs our taxation of the law itself, that is the capacity of being used rather than the use itself. If water of good quality be easily available near the surface, it is more reasonable to tax such land by a light additional rate, whether the water be used or not, than to lay an oppressive heavy tax

on those who expend capital and labour in bringing the water into use." The writer proceeds to add—"Our second objection is that the principle of exempting land from assessment on account of subsoil water advantage in the case of land percolated by canal water received the sanction of the Secretary of State in 1877." It is somewhat difficult to make sense out of this jumble of words. There is no analogy between land percolated by canals and subsoil water rate. The former is a facility artificially created, the latter is a natural facility or an inherent quality in the soil. Even in this matter, however, the writer shows his infinite capacity for being inaccurate. If he would only read before he writes, he would discover from the Irrigation Act that percolation rates are at the present day levied. The charge brought against us of want of knowledge as to the facts of the case is certainly very amusing, as the writer has inaccurately stated facts, as we have pointed out from the very commencement. To contradict his direct misrepresentations is "to quibble," and to explain the real facts is "sophistry."

We are taken to task for not touching on the main issues of the question. This, too, is amusing for a writer who never touches on the general policy, and who would garble quotations and inaccurate statements to misrepresent the Government policy and make the people distrust it. Shortly after the issue of the Government Resolution of March last, which announced the experiment about to be made in the Panch Mahals, our contemporary set to work to prophesy that the dry crop rates would be doubled and trebled, and now, although it has been clearly shown that the addition to the dry crop rates is very trifling the same strain of writing is pursued. Our contemporary seems to be somewhat savage that the prognostications of evil have not been fulfilled. We at

the time said we should discuss the question after the facts and figures had been laid before us. The writer in the *Gazette* speaks about "discontent" prevailing in Gujarat when the ryot has not yet learnt the terms of the revenue settlement and knows absolutely nothing as to what is to take place except from the grossly exaggerated accounts in our contemporary which they will find to be chimeras. The main issue is a very simple one. Government are bound to take a fair revenue on the good lands if they can do so without discouraging improvements. Our contemporary proposes Sir James Caird to be the next Governor, that is it proposed Sir James Caird one day, another man the next, and a third the day after, and so on. This perhaps was amusing if not very profitable form of entertainment. But so far as this special recommendation goes it should be borne in mind that Sir James Caird's view was that the Government does not get nearly enough revenue from the better class of land, which he thought capable of growing anything. The present Land Policy of Government may be open to criticism, not because it is too grasping, but because it is too liberal. It is a very serious thing in India to sacrifice fiscal interests from philanthropic motives. A land policy, however, which is generous, is also as a rule economically sound. It gives the agricultural class the opportunity to acquire wealth. Their prospects and contentment mainly depend on the prosperity of the State. The new departure on the part of Government in favour of publicity and liberality might at least be recognized. But instead of this, Government are treated to criticism which wilfully ignores the facts, which knows not what it is aiming at and contradicts what is said in one column by what is said in the next.

(*Bombay Gazette*, October 18, 1884.)

We have no desire to weary our readers by any lengthened references to the controversy respecting the proposed

subsoil taxation in Gujarat, or to offer any further exposition of the false position taken up by our contemporary in his apology for the land revenue policy of the Bombay Government. We may have occasion for returning to the subject hereafter; but so far as this controversy is concerned, there will be no need for us to offer anything beyond a brief and final rejoinder. The manner in which the points at issue are handled by our contemporary has once more reminded us that nothing is more difficult than to convince of their error those who are determined not to be convinced. The task of conveying conviction to them is as fruitless as flogging a dead horse. But the following extract from a letter received by last mail from an experienced Bombay revenue officer now in England affords a valuable testimony to the manner in which our criticisms are received by observers who, while thoroughly at home with the questions under discussion, approach their consideration with minds completely unprejudiced. "I have seen," says the writer, "by the weekly numbers of the *Bombay Gazette* that these questions have been very fully discussed, and, as I think, with much public benefit. Altogether you have great reason to be satisfied with what has been already done. You have been instrumental in calling attention to several most important questions affecting the land administration, and it is most gratifying to see that the highest authorities in India appear to be unanimous in wishing to make the land administration as liberal as they possibly can, without unduly sacrificing the interest of the State." Our correspondent next touches the question of subsoil taxation, and remarks:—"About the question of assessing subsoil water, I admit that there is great force in what you say. If we had full information, by means of a geological survey, regarding the various water-bearing strata, their depth, the quality of the water,

and all the other information necessary, it might then be possible to assess with sufficient accuracy the water-producing capacity of the soil. But, as a matter of fact, our information on all these points is of the vaguest and most general character, and is founded for the most part on the experience already gained from existing wells. It is notorious that there are numerous geological 'faults' which interfere most seriously with all calculations on the subject; that sweet water and brackish wells often exist side by side within a few yards of one another; and that good sweet water wells are liable to be seriously deteriorated by physical causes, such as floods, earthquakes, &c. Facts of this kind, which are notorious, must necessarily interfere with the application of any theory which assumes broadly that the water-producing capacity of the soil is capable of being classed and estimated for the purpose of assessment. In applying the principle which the Government lays down, I fancy that the rule will be to assume the existence of water advantages wherever they seem *primâ facie* probable, and if it is open to the State tenant to rebut this assumption I do not think that in practice there will be much to complain of. A man who has fruitlessly expended his capital in sinking a well which has turned out too brackish for agriculture, or which has for any reason proved a failure, might, I think, reasonably protest if it were proposed to tax him for water advantages which he could not get. I anticipate, therefore, that the application of the Government theory will prove in practice an easy matter."

We may here explain that our correspondent is a revenue officer who has known Gujarat intimately for the last fifteen years. His opinion is accordingly entitled to great weight and consideration. The view he takes of the subsoil taxation affords a remarkable confirmation of what we have

all along maintained, namely, that the whole theory upon which Government proceed to enforce their new policy is the assumption—an assumption pure and simple for which there is hardly any warrant in practice—that the water-producing capacity of the soil is capable of being classed and estimated for the purpose of assessment. The unfairness of this assumption becomes a real hardship to the poor koonbee when by the Government Resolution the burden of proof to the contrary is laid on him. If, as our correspondent pertinently observes, a geological survey indicating the water-bearing capacities of soils in Gujarat had been made, there would be something for Government to base its theory upon. There would be something to satisfy the protesting cultivator of the fairness of the assessment on his land for a natural advantage. In the absence of such a geological survey, the revenue officer proceeds to classify the land on account of water advantage existing either in a well in the neighbourhood of the land or in his own estimate of probabilities. In these circumstances it seems to us that the best course for Government to pursue would be, before putting their theory into practice, to appoint a Commission composed of revenue officers of wide and varied district experience to inquire into and report upon the feasibility of the scheme. No quibbling about words can or will conceal the main issues of the controversy. We are taken to task for having said of Jhalod, in connection with the new experiment, that "a more backward district it would scarcely be possible to choose, seeing that the results of the experiment are to form the basis of an arrangement applicable to the whole of Gujarat." We are told that Jhalod was not "chosen," but that the "Mahal happened to fall in first for revision." Here the merest tyro in settlement literature would have seen at once that

the Jhalod settlement recently effected by Government was not a "revision" settlement, but an original settlement; that the Government had the "choice" of another Mahal or sub-division, named Dholka, in the Ahmedabad district, which is ripe for a revision settlement, the thirty years' term having expired or being about to expire there. As the new policy of taxing land for a supposed natural advantage such as water is to be introduced into the revised districts of Gujarat, and not in original settlements, the proper course would have been to make Dholka the place of an experiment to serve as a guide for the future. However, we are not disposed to quarrel with our contemporary for having chosen Jhalod in the place of Dholka, if Government was satisfied that Jhalod was suitable for such an experiment. All we say is that the new policy will be found to be utterly unworkable in practice, and will have to be given up at last in despair, when it has been found to have only caused dissatisfaction amongst the whole class of State tenants in Gujarat. Before Government are forced thus to retrace their steps, and to confess that instead of encouraging the sinking of wells, its new policy has had quite a contrary effect, would it not be more statesmanlike to refer the whole question for a calm and dispassionate inquiry to a committee of experts? If the Bombay Government cannot see their way towards some such settlement of the question we trust the Government of India and the Secretary of State will think fit to examine the subject in a way which will allay the apprehensions of the industrious agriculturists of Gujarat.

LETTERS TO THE EDITOR.

ASSESSMENT OF WELLS.

TO THE EDITOR OF THE "BOMBAY GAZETTE."

SIR,—The *Bombay Gazette* of Thursday last contained a leading article in which the following statement occurs:—"That this is no imaginary condition of things is proved by the fact that about fifteen months ago the people of Viramgam, desirous of making investments in wells, but feeling doubtful as to whether sec. 107, clause (*b*) would or would not be applied to such wells, petitioned Government, through Mr. Mackenzie, the then Collector of Ahmedabad, to be informed if the Government would guarantee exemption from future assessment to the wells they proposed to sink. And what was the reply which the Government gave to the petitioners through the Collector? The reply given was, as we are informed on what we cannot help considering to be unquestionable authority, that Government could hold out no promise of any such guarantee."

I am to point out that your readers may convince themselves that this statement, as it stands, is untrue, by simply referring to the *Bombay Gazette* of January 1, 1884, where you reprinted a Resolution of 1881, supplied to you for that purpose from the Secretariat, in which it is declared that "Government are now prepared to give a general assurance that clause (*b*) will not be applied to wells dug at the expense of the owner or occupant of the soil. . . The Survey Commissioner may prepare a notification in accordance with the above views." The guarantee said to have been sought in vain by the people of Viramgam fifteen months ago was thus given by Government in 1881.

But I am further instructed to forward to you, and to request that you will publish with this letter, a copy of the Resolution to which the writer of your leading article appears to refer. You will observe that Government, instead of refusing to guarantee exemption from future assessment to the wells which the applicant proposed to sink, instructed the Collector to inform him that "there can be no difficulty in giving the ryot in question an answer

in the words of sec. 106 of the Revenue Code, namely, that assessments fixed on revision cannot be fixed with reference to improvements made from private capital," and that "most certainly the new well would not and could not be legally taxed." What the ryot requested was that the assessment of the land which he cultivated from the well should not be revised at all, and as it might be liable to an increase of assessment along with all other land in the neighbourhood on general considerations, as distinct from the value of private improvements, that request could not, of course, be granted. This was in July, 1880.

I am to suggest for your consideration that, as misrepresentations of the action of Government with regard to the land revenue are very common, more caution might be exercised before admitting to your leading columns stories of the proceedings inconsistent with the statement of the Government policy lately made public. Government is willing to meet any reasonable request for information. If you had applied before last Thursday for a copy of the proceedings in the Viramgam case, in order to test the *bona-fides* of an informant who is bent on proving by all means that Government is inconsistent and illiberal, the unpleasant necessity would probably not have arisen of requesting you to publish them now in refutation of his statements, which you too hastily accepted.—I have, &c.,

J. MONTEATH,
Acting Under-Secretary to Government.

Secretariat, April 11.

REVENUE DEPARTMENT,
BOMBAY CASTLE, 20*th July*, 1880.

Memorandum from the Commissioner, N. D., No. 1187, dated 20th May 1880, submitting a letter from the Collector of Ahmedabad (No. 1441 of 1880), relative to an application from a ryot at Viramgam, who is desirous of spending several hundred rupees in the construction of a *pakka* well in his holding, but who refrains from doing so without an assurance that the ground which he cultivates from this well shall not be re-assessed at the revision survey which will take place in the course of the next four or five years ; and observing that the question raised by the Collector is one of considerable importance and there is so much

at stake in this matter that, presuming the wishes of Government as declared in the orders quoted by the Collector remain unaltered, it seems desirable that definite instructions should finally issue on this point, and for this purpose a notification embodying the declared intentions of Government and published in the *Government Gazette* would seem best calculated to ensure the fullest publicity and secure the confidence of the people.

Memorandum from the Survey and Settlement Commissioner, N. D., No. 699, dated 19th June, 1880 :—

There can be no difficulty in giving the ryot in question an answer in the words of section 106 of the Revenue Code, namely, that assessment fixed on revision 'cannot be fixed with reference to improvements made from private capital :' more than this it is impossible to lay down, and a fuller assurance of the exemption of a new well from special extra taxation on revision cannot be given than is contained in those words.

" 2. What the ryot in question wants is not quite clear from the letter of the Commissioner, N. D. It is stated that what he requires is an assurance that the ground which he cultivates from this well shall not be re-assessed at the revision survey. This demand, if it is correctly set forth, is an absurd one, amounting to a request that Government will refrain from taking its dues fixed on general considerations and applicable to all land whether the improvements have been made or not, because the applicant for his own benefit has expended capital and made an improvement, the entire fruits of which are guaranteed to him without any increased Government demand now and on revision.

" 3. With reference to paragraph 2 of the Collector's letter appended, I do not think it will be possible without danger of raising false expectations to do more than refer applicants to the terms of section 106 of the Revenue Code. In the case put by the Collector, most certainly the new well would not and could not be legally taxed, but the land watered by such a well and all land similarly situated with visible natural facilities for well irrigation from vicinity of water to the surface, whether a well had been sunk or not, would be most justly subjected to some extra rate of assessment on account of the said natural

advantage above the assessment on land without such advantage."

RESOLUTION.—Copy of Colonel Anderson's report in which Government entirely concur should be forwarded to the Collector of Ahmedabad, who should frame an answer to the applicant in accordance with the views expressed in that report.

2. It is of great importance that ryots holding lands from Government should be made acquainted, as far as possible, with the law as it stands on the subject of the assessment of lands and the improvements made thereon by private individuals, such as wells, tanks, &c., and it appears to Government that this cannot be so well done in any other way as by personal communication with the ryots on the part of the officers of Government. His Excellency the Right Honourable the Governor in Council accordingly desires, both in the interests of Government and the cultivators generally, that the Collectors and their assistants as well as all other officers employed in the Land Revenue Administration and the Revenue Survey shall invariably, in the course of their tours, endeavour to explain to the ryots the precise meaning and scope of the law relating to the assessment of land, taking care at the same time to impress upon the cultivators the advisability of making such improvements upon their land as they are able consistently with their means to effect. Any increased charge will be fixed in accordance with the general considerations by which the revised assessments are regulated, and would constitute but a small proportion of the increased value of the produce of the land and be more easily paid than the smaller assessment payable on an unimproved holding.

JOHN NUGENT,
Acting Secretary to Government.

TO THE EDITOR OF THE "BOMBAY GAZETTE."

SIR,—Referring to an article in to-day's *Times of India*, I beg emphatically to deny that the passages quoted in it from your leading article of Monday last were from me. I may add that several months ago the Editor of the *Times of India* applied to me personally for contributions on this and kindred topics, but my business engagements prevented

me from complying with the request, though the land question is one of which I have made a special study for many years. It will be easily understood by those who have read my pamphlet on the Land Improvement Loans Act that I accept the principle of "a light additional rate on land where the water is easily available near the surface," provided it is capable of being practically carried out. But is this possible in the case of the ever-varying jerayat lands of Gujarat? I maintain that it is not possible to carry it out in all its integrity; that it is not the principle introduced into all the Deccan resettlements; that the principle actually introduced into the Deccan resettlements is to impose maximum dry crop rates on lands under old wells, and to levy ordinary dry crop rates on lands in which new wells have been dug during the currency of the present settlement; and that the result of the deviation of policy which Government proposes to carry out in the revision now almost due in Gujarat, will be to add, by means of an enhanced rate, however slight, several lakhs of rupees where only thousands will have been abandoned. I think that all interested in the welfare of the peasantry of this Presidency cannot do better than to lay to heart the precious words of the late Sir George Wingate, when he reminded the Government of his day that "the peculiar position occupied by Government in this country, as proprietor of the soil, has not yet, it appears to me, received the consideration its importance deserves. Government is thus constituted the possessor of a vast monopoly, thereby depriving this country of the salutary and invaluable checks upon over-exactions on the part of the landlord, afforded by the competition of interests existing in a sub-divided proprietorship which effectually prevent the rent of land being for any considerable period higher than would naturally result from the state of the society at the time. Here, however, Government as proprietor finds no such controlling influences operating upon its demands, or even any palpable evidence of their effects upon its own interests or those of the society entrusted to its care; and thus it is that an assessment, however little in excess of what the land will bear, goes on from year to year, slowly but surely, exhausting the fountains of national wealth, without affording any marked indications of its baneful progress, and Government, with a lively solicitude for the welfare of the country, yet re-

mains in ignorance of the deplorable state of the case, until it reaches a height of ruin that no longer admits of concealment." Is not every competent Revenue officer prepared to adopt this principle? If he is, then I put it to him whether the new departure in the land revenue policy of Government which permits the taxation of sub-soil water—a task found by Survey and Revenue officers of great experience in the Presidency to be practically unworkable and exploded—is one which deserves to be revived in the forthcoming Gujarat revisions? It is all the same to a ryot whether it is the well or the land that Government taxes at the revision. To him this makes no difference. The money goes out of his pocket under any circumstances. Where is the sacrifice, then, which the Government of India declare it is prepared for, if this sacrifice encourages a ryot to dig a new well?—Yours, &c.,

JAVERILAL U. YAJNIK.

Bombay, April 16.

TO THE EDITOR OF THE "BOMBAY GAZETTE."

SIR,—The ryots of this Presidency owe you a deep debt of gratitude for your articles on the revenue assessment question, and you have good grounds for congratulating yourself on the result to which the discussion has led. In your last article on the subject you touch on a very important matter. If Government is now about to give distinct orders to its Survey officers not to levy special rates on land where new wells have been built, what will it do in reference to the old wells on which special rates were levied at the last settlement, and which special rates the ryots have been paying up to the present time? If Government admits, as it now apparently does, that it is unfair to tax the improvements of the ryots recently made, is it prepared also to carry out the principle honestly and to its logical result, and say that it was unfair to tax their improvements in the past, as was done at the last revenue settlement? Take a case in point. X is a village in Gujarat, where the ryots built at their sole expense a very considerable number of wells. Some twenty years ago, when the revenue settlement was being effected, a sum of Rs. 2,000 per annum was added to the Government rent solely on account of these wells; in other words, Govern-

ment claimed property in these wells to the extent of about Rs. 50,000, without having expended so much as a single pie on the construction of them. Fortunately for the Government we have not many Parnells in India. We need not waste time in asking whether Government will refund the Rs. 40,000 which it has received during the past twenty years from the cultivators of this single village; the necessities of the Government will no doubt in this, as in other cases, override the claims of justice and equity. But is Government prepared to give up this revenue of Rs 2,000 a year in the future? The sinking of one of these wells is so serious and costly a matter that very seldom indeed can a single ryot undertake it. Most of these wells are of the nature of a joint-stock company, with four or five, or even eight or ten, shareholders. The depth of the water from the surface varies from forty-five to fifty-five feet, so that it cannot for a moment be urged that it is "easily available." It is only after the expenditure of some Rs. 2,000 or Rs. 3,000 that a large five or six *kos* well can be completed. For the Government to step in after the ryot has been at all this expense in sinking his well and levy double rent or more than double rent on the surrounding land is not only barefaced injustice to the ryot, but it is also in the long run suicidal to the revenue; the only pity is that it is not also the thorough *felo-de-se* of the Survey Department. But the old cry, "The king is dead, long live the king," is applicable to it, and with groans has the ryot hitherto sung, "The survey-walla is dead, long live the survey-walla!"

Government is about to make a new departure in reference to the principles to be laid down for the guidance of Survey officers. "A slight additional rate" is to be levied on all land where "water of good quality is easily available." The practical determination of whether water is "easily available" will, of course, rest with the Survey officer, and the ryot may rejoice if this does not prove to him a case of from Scylla to Charybdis. Throughout Gujarat water, I believe, is always to be had, if the well is only sunk deep enough. The optimism of the Revenue or Survey officer may therefore regard "the water-bearing capacities of the land" as universal. If the water were only ten or twelve feet from the surface, so that a ryot by the expenditure of some Rs. 20 or Rs. 30 could gain a

second crop by irrigation, Government might fairly enough, we think, lay on a slight additional rate in such cases. But to how much of Gujarat does this state of things apply? To only a very small portion of it, probably. And yet the public, from the well-known proclivities of Survey officers to interpret the general orders of Government as best suits themselves, may fairly expect to hear of an additional amount, on account of the water-bearing capacities of the land, being added to the dry crop rates in villages like those on the banks of the river Mahi, where the water is only from 100 to 120 feet from the surface!

There is another matter in connexion with the revision of the assessment which we should like to see you insist on. The Survey officers have not, at least in the past, taken sufficiently into account in settling the rent of the land its relative distance from the village site. Other things being equal, it may be safely affirmed that land close to the village is twice as valuable as that on the boundaries. Even in Gujarat the land is often more than two miles distant from the cultivator's residence. This seems to have been disregarded by the Survey officers, who apparently glory in a scientific uniformity of rates. As an example of the effects of such action, take the following case. Bordering on the railway line, and not half a mile from one of the most flourishing stations of the B. B. and C. I. Railway in Gujarat, there is Government land for which it is impossible by sub-letting to procure from any cultivator even the Government assessment, and this too in a district with a dense population and where all cultivable lands are eagerly taken up at competitive rates. Inherently the land is quite as good as that in the proximity of the village, but owing to its distance from the latter, it is simply impossible to have it properly manured—no ryot could, in fact, bear the cost, nor would it pay him—and yet the Government rate for it is the same as for other dry crop land at the very entrance to the village. Now that the Governmental conscience seems to have become sensitive to the injustice under which the ryot has hitherto been labouring, the latter may fondly hope that the day is not far distant when everything in the way of a tax on his improvements, effected in recent or past years, will be swept away; and that all rules laid down for the revision of the assesssment rates shall be so explicitly stated, and

make use of the available water, it would, I would respectfully urge, be simply a suicidal policy on the part of the Government to insist on this measure being carried out. The result will be a wholesale relinquishment of lands so "slightly additionally assessed," the consequences of which would be injurious both to the Government and the public. Perhaps the supporters of this measure, in their over-anxiety to develope the resources of the country, take a different view of the condition of the ryot in this matter. An officer whom I greatly respect has talked with me on this very subject. During the course of argument, when I brought to his notice that all the cultivators as a body would not be able to find the means to sink a well and bear the extra expenses of irrigation, he was good enough to inform me of the "benevolent" motives which had prompted this measure. He said that our Indian cultivators as a class were quite indifferent to their own interests, but if we raised the assessment of their lands where subsoil water was available, they would be compelled to sink wells, and carry on agriculture in a more profitable way than they do at present. If such is the "benevolent" motive on which the supporters of this measure rely, I simply say that with all their experience they are labouring under a great misapprehension as to the true condition of the majority of the cultivators, and they are sure to be disappointed if they insist on this measure. As time goes on, as population and civilization increase side by side with education, the cultivator would himself, for his own interests, whenever the means are available and at his command, gradually endeavour to develope the resources of his own property. This would only be done individually and by degrees; but it would simply be preposterous to expect the mass of cultivators, under present circumstances, to avail of themselves, without exception, of the advantages so erroneously supposed to be within their reach. It may then be observed that Government should honestly endeavour to remove all doubts from the mind of the cultivator on the subject. Instead of simply referring him to section 106 of the Revenue Code, interpret the law to him in the spirit on which it has been based, not in the spirit in which it is intended to enforce it. If a well built at the expense of a cultivator would and could not be legally taxed, where is the legality to subject the land watered by such a well, and naturally improved by such watering, to "some extra rate of assessment?"

To say that "land watered by such a well" (and all land similarly situated with visible natural facilities for well irrigation) would be "justly subjected to some extra rate of assessment," is tantamount to saying, though in a different form, that such wells would and could be assessed, however slight the additional assessment may be. If such is not the meaning, what else it could be? It would either way, as you have justly remarked, be seen in the same light by the cultivator, and it would be difficult to make him understand the philosophical distinction so cleverly put forward, that it is the "subsoil water in the well," and not the well itself, that has been so assessed!

From the manner in which we fear the policy of Government is intended to be insisted on, we can safely say that the temptation to impose extra assessment on lands naturally improved by the watering from wells constructed by private enterprise has been so great that this measure is sought to be justified by the imposition of a similar tax on lands of a similar nature, without consideration as to whether a well is sunk or not, or whether the various occupants of such lands are capable, with due regard to their means, of sinking such a well or not.

Surely there is no other way to defend this policy, and honestly see the cultivator face to face, except by telling him that we have not taxed his well, but the subsoil water, and that we have also similarly taxed his neighbours who have got no wells, and hence he has no reason to complain. The principle appears so awkward in itself, so utterly inapplicable as regards equality to cases of land where a well already exists, and where one does not, that it can fairly be said that to jussify the temptation to impose an additional tax on lands already improved by well watering an injustice would have to be done to the cultivator who has already sunk a well at his own expense, and a greater injustice and hardship inflicted on the occupants of lands said to be similarly situated, but for which the day is still far distant for the cultivator to avail himself of the so-called advantages of subsoil water. Let Government build wells in all these fields at their own expense, then levy an extra rate of assessment for using such wells, and I can say from experience that they will be sorely disappointed at not finding all the cultivators of those fields able to find the means to make use of even this increased facility afforded to them. In the interests of the agricultural

community and the public at large let this question be dealt with in a liberal spirit; encourage the cultivator to find the means to benefit himself by availing of the subsoil water; do not give him a vague and evasive answer, but let him be honestly told that the "subsoil water brought by him on the surface by means of a well sunk at his own expense, and land naturally improved thereby, will not additionally be taxed under any pretext or form whatever.

April 20. A.

TO THE EDITOR OF THE "BOMBAY GAZETTE."

SIR,—It must now be admitted that the principle of justly assessing subsoil water is not properly understood and appreciated by even those in authority who ought to be well-informed. While the justice of levying fair enhanced rates of assessment on land having water facilities cannot be gainsaid, it is, on the other hand, equal justice to levy relatively nominal assessment on land not provided with water. These opposite conditions respecting the existence of water have been seen to merge into each other, for the simple reason that there is no practical standard or principle to be guided by for pronouncing what land has water facilities and what land has not. The difficulty is much increased by the varying conditions of the existence or otherwise of water-bearing strata within the narrow region of each survey number.

What is meant by subsoil water? According to the Government interpretation, subsoil water includes all water obtained from beneath the surface of the land, that is to say, it includes all water excepting rain water. Government declare that subsoil water is subject to assessment but not the water obtained from wells sunk at the private cost of the occupants of fields. This certainly involves a contradiction in terms, or it may be construed as a somewhat determined purpose to evade the issue. The just principle on which land should be assessed with reference to water facilities appears to me to be as follows:—The depth of the well water from the ground surface should form the established test. If the water be below twenty-five feet from the ground surface, the land in which the well is situated should be considered has having no water facilities. If water

is to be had at less depth, the land should be assessed at a fair enhanced rate, on the ground that it is provided with water. Such a practical test for enhanced or reduced assessment, as the case may be, is both just and intelligible, without having to wade for information through the confused medley pretending to enlighten the public with which we have been burdened recently.

I have fixed twenty-five feet depth of the well in reference to the height from which a cheap suction pump could be worked, and the water easily availed of. A scientific work states—"The greatest height to which the water can be raised, counting from the level of the water in the well to the bottom-valve, is, in theory, thirty-four feet. In practice, however, owing to imperfect vacuum the limit is from twenty to twenty-eight feet." Thus water at twenty-five feet depth from the ground surface is fair for average calculation. And it may also be safely assumed that the cost and maintenance of an efficient and cheap suction pump and of an ordinary country "mote" are equal.

It is urged that the existence or non-existence of water could be satisfactorily ascertained only by actually digging wells, which is inexpedient and impossible. Granting this, is it just to levy enhanced assessment without making the tedious and costly, yet satisfactory, experiment, or to act upon the very fallacious supposition that water must exist everywhere? The benefit of the doubt arising from thorough investigation on the spot, as it often is, must be afforded to the landholder, for it is his interests that will be directly affected. If there be no well existing to judge by, or any other unmistakeable clue, let the assessment be fixed at a reduced rate, and should a well be afterwards sunk, the assessment may be fairly increased according to the test mentioned. Thus in proportion that the landowner gains by irrigating his crops, in the same proportion Government would obtain increased revenue. That the beneficial relations of the Government and its land-owners should be thus adjusted is undoubtedly most commendable in every way. It is perfectly irrelevant to suppose for a moment that the land-owner would prefer to sink his well at the greatest depth, if possible, in order to evade enhanced assessment as, by doing so, his pocket would be touched, and the eager prospect of gain which prompted the undertaking would at once be blasted; and this he, of all persons, does not need to be told. And, lastly, it is interesting to

enquire what right has Government to tax water that is prohibitive for use, although it can be used at extremely disproportionate cost? The country is replete with valuable minerals. Have Government the right, or is it just that they should have it, of taxing landowners for the benefit of possessing the minerals? As the Treasure Trove Act enacts, and only justly, Government have right to a reasonable share in the treasure if actually found, and which is capable of appropriation so as to be profitable to the finder. Does it not hold with equal force, that land where water could not be had at less depth than twenty-five feet from the ground surface ought to be free from assessment, as the water cannot be largely used except at extremely disproportionate cost, so as to be a dead loss? The fact really is, that in the absence of some such definite principles as mentioned for guidance, the controversy is being hotly waged without the least chance of arriving at correct conclusions. A just and equitable practical test, such as I have above indicated, having been once fixed, it may be easily and expeditiously applied over immense areas of land; and then there certainly can be no cause for complaint or wide dissatisfaction, which, unfortunately, there is too much reason to fear exists at the present time. I beg to commend the foregoing to the earnest attention of all well-wishers of our food-growers—the land-owners of India.

August 29. T. R.

(*Pioneeer*, September 10, 1884.)

[FROM OUR OWN CORRESPONDENT.]

The Government of Bombay have made one more attempt to remove "all ground for the misconception" that they are sanctioning a disastrous change in the policy of the State with regard to tenant's improvements; and their Resolution of the 25th July, which has now been published, deserves cordial recognition, as the outcome of a generous desire felt by Government to carry, if that may be, intelligent public opinion along with them in this matter. There is not so much of that sort of thing in India that a paper with this statesman-like motive, and on so important a subject, should not be heartily welcome. But the gift has its drawback. It is much that the master of

legions should stoop to argue: but the argument is seriously embarrassed, if at the outset, he undertakes, as here, to convict all his opponents of unreason: to remove, not indeed their misconceptions, since a blind and determined hostility to Government may make these eternal, but "all ground for the misconceptions." The last controversy on this subject was closed by a letter in which an Under-Secretary, over his own signature, publicly charged Mr. Jeverilal U. Yajnik, whose trenchant criticism he was endeavouring to meet, with a wilful determination to make Government out to be wrong whatever the facts might be. The present Resolution declares that of all the objections urged to the proposed subsoil water-tax only one is "reasonable;" and, when taken with other official papers, leaves us in no doubt that Government, as at present advised, hope to convert their critics, but have first made up their minds that if they do not, the fault will lie with their want either of intelligence or of honesty. I make an appeal to Government in this matter. They court public criticism, and desire in particular nothing so much as that intelligent native gentlemen should frankly discuss with them all questions affecting the good of the country. But they make the terms hard. For my own part I have read and re-read this Resolution, and my misconceptions remain. I believe that the proposal to tax subsoil water in the approaching revision settlement in Gujarat is not only contrary to sound policy, but is in direct violation of a positive pledge. I believe further, if I am to be as candid as this Resolution, that I can support this opinion by arguments which should go far to convince all reasonable and impartial men. But I will not borrow the language of inspiration, and say that I propose so to deal with this question as to leave my opponents without excuse. And I know of no divinity hedging the Government of Bombay that entitles them to take up such a position.

With this preface, for which I hope to be forgiven, and which is really an appeal to Government to grant me that I may be honest, and yet differ from them—my intelligence I make them a present of—I turn to the Resolution. It contains the whole history of the question, and from it all may see that in January 1865 it was declared by law that, while it should be open to Government to direct a revision of settlement, such revision should take no note of improvements made by the owners or occupants during

the currency of the existing settlement. In other words, to give this pledge its application to the case in hand, the Gujarat ryot was told that if he, at his own charge, improved his field by digging a well upon it, he would not thereby render himself liable to an increased assessment. When in 1879 this pledge was re-enacted, as section 106 of the Land Revenue Code, some master spirit of mischief threw confusion over the whole matter by getting a clause added, under which the operation of this pledge was restricted to improvements that should consist in creating a natural advantage, and not in merely utilising one already existing. I know of no better example of the evils India suffers from the amateur legislation to which she is exposed. Government had no right to modify in any way to the disadvantage of the ryot, the pledge to which it had given the solemn force of law. And the modification actually made would, if it had been introduced in a really popular Legislative Assembly, have died at once of the ridicule it provokes. For what, out of Bombay, is meant by an improvement which creates a natural advantage, as distinguished from one which merely utilises an existing naturnl advantage. This Resolution discloses, I believe for the first time, the steps which led up to this most unfortunate provision. The distinction without a difference it is now clear, had no other foundation than the desire of the Government of Bombay of that time to escape the effect of the promise its predecessors had given with regard to wells.

There has been a good deal of controversy, which it is not for my purpose necessary to continue here, as to the effect this metaphysical nonsense was calculated to have, or did actually have, upon the mind of the ryot. One intelligent writer, it is true, attempted to dispose of that issue by the contention that, provided persons above the intellectual stamp of Ramji bin Rowji understood the new law, it did not matter very much what that gentleman himself made of it. This way out of the difficulty was not, however, generally accepted ; and Government, as a whole, while repudiating any intention to confuse the mind of the ryot, added, as they do also in this Resolution, an expression of their belief that, as a matter of fact, the law had not caused any uncertainty as to the intentions of Government. For my part I do not see how the clause in question could fail to alarm the ryot ; and I am therefore

ready to accept the independent testimony offered by Mr. Javerilal in proof of his contention that it did alarm him. But the matter is of importance here only inasmuch as the Resolution, while repudiating on behalf of Government any such intention, incidentally reminds us how the twice-given promise was repeated a third and fourth time. "It was stated authoritatively in the debate on this section in the Legislative Council that direct improvements, caused by digging wells, &c, at the expense of the cultivator are held free of assessment, as they had in fact been exempted under special orders of Government in all the revision settlements up to that date. And in 1881 the Government gave a general assurance that section 107, clause (*b*) of the Land Revenue Code will not be applied to wells dug at the expense of the owner or occupier of the soil." It will be apparent immediately that there is some reason to believe, that in these later utterances, the promise meant one thing to the giver, and another to the receiver. But that it was given, and the terms in which it was given, are not matters in dispute. And these terms are, as I have stated them above, in language and quotations taken from this Resolution.

I go back now to the original pledge of January 1865. The action then taken by Government was an invitation to the ryot to improve the cultivation of his farm by digging a well there: and the inducement offered was an undertaking on the part of Government that, if he would so dig a well, he should not be liable, on that account, to an increased assessment, that is to say—and the whole question turns on whether this is or is not an equitable, nay the only equitable, interpretation, of the pledge—that if the ryot, at his own charge, brought water to the surface of his field, he should, in deviation from the prevailing practice of Government at the time, enjoy such water free. Paragraphs on paragraphs of this Resolution are spent on an elaborate demonstration of the self-evident proposition that, if the State happens to be engaged in estimating the relative value of two pieces of land it may fairly take note of the fact that the one has command of water and the other has not. I say that this has nothing whatever to do with the approaching revision settlement in Gujarat. In the case of all wells built or to be built, since January 1865, during the currency of the existing settlement, Government have parted with their right to tax the sub-

soil water which feeds these wells, and will resume that right, if it comes to that—as I for my part still hope and believe it will not—by breach of faith, none the less disastrous that it is not, as is apparent enough, recognised by the present Government of Bombay in that light.

What then has led an honourable Government to invest their fixed purpose with such glowing colours that they have firmly persuaded themselves that he who calls it by its name must stand and confess himself to be either fool or knave? The whole of the answer to this question is to be found in this Resolution. The "pledge" left matters in this position that, whereas all who built wells in future were to be free of assessment in respect of such wells, their more enterprising neighbours, who had not waited on the liberality of Government, were left under the burden of the extra assessment laid on them, in accordance with the previous policy of Government, and had no promise of the remission at revision time. Accordingly, in March 1865, Sir Barrow Ellis, then Revenue Commissioner for the Northern Division, asked Government to consider the propriety of abandoning in future survey settlements in Gujarat and Khandesh *all* assessment upon wells, that is to say, assessment upon wells as wells, irrespective of whether they came under the terms of the undertaking Government had entered into or not. The loss of revenue to Government Sir Barrow Ellis proposed to make up by taxing the water-producing capability of soils, or, in other words, by slightly enhancing the valuation of land in which water is obtainable close to the surface. This was the beginning of a long discussion, now for the first time unfortunately disclosed, in the course of which it entirely dropped out of the sight that while Government were in no way specifically bound to take the assessment of the old wells, and so might fairly cast about them for methods of making up the loss of revenue such a step might result in, it was not, and could not be morally competent for them to recoup themselves at the ryot's expense in the case of new wells, for the revenue they had already freely forgone. That is the kernel of the whole question: and unless it can be shown that the Act of 1865 did not guarantee to the ryot who might thereafter dig a well, that he should enjoy its water free, it remains established that the proposal to tax him now

for the subsoil water of his field is not in accordance with the plighted word of Government.

Here I must leave the question as far as I am concerned, though there is much in the other objections urged against the Government policy which appears to me to deserve greater consideration than Government are disposed to give to it. It is admitted that it is a reasonable objection—the only reasonable objection as it is called—that sub-soil water may be taken into account as an element of value where it is not practically available. Government promise to watch what they admit is still a matter of experiment But all they can tell us now is that the existence of sub-soil water is to be ascertained by a very careful investigation by "skilled agency working under elaborate rules." One of these rules, I may remark in passing, is the very reverse of elaborate, being simply to this effect, that when once the Survey Department have said that a certain field has good subsoil water, the *onus* shall lie upon the cultivator of proving that they are in error! Again it seems to me that Government are not sufficiently alive to the importance of bringing the law, and the regulations of their Survey Department down to the "meanest intellectual capacity." When certain cultivators came to Government, and asked them to say how that wonderful section 107 would be applied to a case they put, which was their own case, Colonel Anderson advised Government to refer the applicants to the words of the section which constituted their difficulty, on the ground that to add any explanation or comment would be "unsafe." This is the reverse of the policy which Government should pursue. But this advice was taken. I confess I think it would be a great social and political gain, if the existing measurements and classfications in Gujarat were accepted, as it is proposed the next should be accepted, as sufficiently accurate to be final, if the hand of the Survey Department were stayed, and if the Gujarat ryot already in occupation of 96 per cent. of the available land were told at once, in the words of the Viceroy, that the present tax is the measure of the State demand upon him, and that he may improve and reap the fruit of his improvements in peace. But these and other considerations I must leave. On the single point I have ventured to raise I contend that the Bombay Government should at this eleventh hour, reconsider the policy they have accepted from the Survey

Department. Failing that I can only humbly trust that the Secretary of State will set aside a claim not less fantastic than the same Survey's attempt—made unsuccessful through his interposition only—to lay a tax on water assumed to percolate from canals into lands which made no direct use of these canals, and a claim which, as I think, can be shown to be in direct conflict with the word of Government.

APPENDIX.

BOMBAY REVENUE AND ASSESSMENT

(*Bombay Gazette*, March 31, 1884.)

The following Resolution, being an exposition of the Policy of Government in regard to Revenue and Assessment, has been issued :—

REVENUE DEPARTMENT.

BOMBAY CASTLE, *26th March* 1884.

RESOLUTION OF GOVERNMENT.

His Excellency in Council desires in this Resolution to state the principles by which the Government regulates its action in regard to that portion of the produce of land which by custom belongs to the State, that is to the public, and forms part of the public revenues devoted to the cost of governing the country.

2. The law is contained in the Bombay Land Revenue Code (Act V. of 1879) which repealed and took the place of the Bombay Survey and Settlement Act I. of 1865. Under Section 214 of Act V. of 1879 are framed rules for carrying out the purposes of the Act which after publication have the force of law.

3. By Section 69 of Act V. the right of Government to mines and mineral products in all unalienated land is expressly reserved wherever it has not become vested in the occupant of such land.

4. Section 37 enacts that "the bed of rivers, streams, nalas, lakes, and tanks, and all canals and water-courses, and all standing and flowing water which are not the property of individuals, or of aggregates of persons legally capable of holding property, and except in so far as any rights of such persons may be established in or over the same, and except as may be otherwise provided in any law for the time being in force, are and are hereby declared to be, with all rights in or over the same or appertaining thereto, the property of Government."

5. Section 55 of Act V. gives power to fix rates for the use of water the right to which vests in Government. The

Bombay Irrigation Act VII. of 1879 gives power to charge rates for the use of canal water. But in these cases the rates are not part of the assessment of land to the ordinary land revenue, the water being such as is capable of treatment, as a distinct marketable commodity, the property of Government and purchaseable for agricultural uses.

6. These rates being left aside, there remains the assessment of the ordinary land revenue according to the productive quality and inherent advantages of each plot of ground known as a survey number.

7. By Section 73 of Act V. the right of occupancy land is declared an heritable and transferable property and by Section 68 an occupant under a survey settlement is entitled to the use and occupancy of his land in perpetuity, conditionally on the payment of the amounts due on account of the land revenue for the same. It is manifest then that the security of the tenure depends on the manner in which the assessment of the land revenue is regulated.

8. Section 95 of Act V. gives power to the Governor in Council to direct the survey of any land with a view to the settlement of the ordinary land revenue and to declare the assessment fixed for a term of years (Section 102). The Governor in Council may (Section 106) at any time direct a fresh revenue survey or any operation subsidiary thereto, but the assessments cannot be enhanced until the original term of settlement has expired.

9. At the second or "revision" survey settlement the assessment fixed at the first or "original" survey settlement may be altered partly by correction of the survey record of measurement and classification, and partly with regard to the increased value of the land from a rise in agricultural profits.

10. When the survey record has been made correct, it remains an authoritative and sufficient standard of the relative value of survey numbers or fields, and the first reason for a revision survey ceases to exist. The second reason is permanent, because agricultural profits are always subject to increase and decrease. But this part of the revision of assessment may be carried out without the employment of a Department of Survey when the survey record is once complete.

11. The completion of the survey record therefore by revision where it is now imperfect is one operation which will improve the position of the survey occupant, by put-

ting an end to such disturbance and uncertainty as are inseparable from the remeasurement and reclassification of soils.

12. Revision has hitherto been undertaken only when an original settlement period expires. If this practice were maintained the operation would be greatly protracted and the highly skilled survey establishments would be dissipated for want of full-time employment. It has therefore been resolved that the completion of the survey record should be carried out at once with the full strength of present establishments, and it is estimated that in this way all field operations of the survey in this Presidency may be completed within a period of eight years. Current settlements will remain unaffected until their term expires, as is stipulated by Section 106, Act V : " No enhancement of assessment shall take effect till the expiration of the previously fixed" for the currency of a settlement by the Governor in Council under Section 102.

13. Thus for the duration of revision operations. Next as to their scope. The policy of this Government has always been opposed to the remeasurement and reclassification of land in revision survey beyond what is absolutely necessary to obtain a correct survey record. The Governor in Council has therefore insisted that, before any reclassification of soil is permitted, the reasons should be fully explained by the Survey Department and that no such operations should be commenced without the express sanction of Government. It has been found, however, that in some districts a partial or even a complete resurvey and revaluation was inevitable. The reason of this is that in the first years of the Revenue Survey the work was too imperfect to be accepted as a standard. The classicfiation of soils adjudged to be culturable was faulty. The value of the richer soils was under-estimated and that of the poorer soils over-estimated, and the extremes of the scale were not adjusted to the difference in productive capacity. It was found on revision that to obtain a just standard of relative value it was necessary to raise the better soils and to lower the poorer soils about one class, or 2 annas in the rupee scale. Again the appreciation of the vast area then lying out of cultivation was rough and indiscriminating, so that large plots of easily cultivable land were thrown into survey numbers and left unassessed under the name of " Pot-kharab."

14. Therefore, since the commencement of operations for revision in the Poona District in 1867-68 it has been incumbent on the Government, in the interest of the public revenues, to sanction for each tract brought under revision such extent of revalation as was proved to be necessary, amounting in some tracts to a partial remeasurement and reclassification and in others to measurement and classification *de novo*. As the early settlements have nearly all expired, the revision is almost complete in those areas in which a virtually new survey was necessary. The work will be in future confined to partial remeasurement and revaluation, and when this is completed, remeasurement and reclassification will cease altogether to be operations attendant on a revision of assessment.

15. Moreover as the revised survey record is sufficiently correct for the purposes of a standard, His Excellency the Governor in Council has resolved that it shall be accepted as final and not subject to any future general revision. This resolution secures from any further general alteration of the valuation of land for revenue purposes the whole of the Southern Maratha Districts, except a few talukas, and the greater portion of the Deccan. In the districts of Ratnagiri and Kanara, in which original settlements are still in progress, the work of the survey is sufficiently accurate to admit of the extension of the same guarantee to them. The power of Government to direct a revaluation of soils will therefore be exercised almost solely in the province of Gujarat, the districts of Thana and Kolaba, and in Khandesh and Satara ; and in these it is believed that a partial resurvey will suffice.

16. Before leaving this part of the subject it is necessary to speak of the arable land which under the name of "Pot-kharab," was included unassessed in survey numbers at the early settlements. This Government has been inclined ever since 1874 to leave the profit of bringing such land into cultivation to the occupant. But it was found that the area thus treated in the early settlements was so large that to forego assessment of it would occasion an unjustifiable sacrifice of the claims of the public revenue. Action in this matter was therefore postponed. But the settlements marked by lavish indifference to Pot-kharab have now come under revision. About the year 1854 a more careful system was introduced under the rules of the joint Report. His Excellency the Governor in Council has there-

fore resolved that the settlement officers shall in the operations for revision settlement of land originally settled after 1854, as a general principle accept and confirm as exempt from assessment whatever area was entered as Pot-kharab in the classification of land at the original settlement. In other words, as a general rule, land which, though arable, was at the first survey included in a survey number as unarable and was left unassessed, shall also be left unassessed at the revision settlement for the benefit of the occupant.

17. This concludes the review of the operations proposed for the completion of the survey record. It remains to examine the law and principles by which the periodical increase of land revenue assessment is regulated, and particularly those which protect from assessment the increased value of land due to improvements made by the occupant.

18. First with regard to the law. Bombay Act I., of 1865 contained the following provision :—

"Section 30.—It shall be lawful for the Governor in Council to direct at any time a fresh survey or classification of soils or revision of assessment, or all or any of these combined, but the assessment to revised shall not take effect till the expiration of the period of previous guarantee given as provided in Section XXVIII. Such revised assessment shall be fixed, not with reference to improvements made by the owners or occupants from private capital and resources, during the currency of any settlement under this Act, but with reference to general considerations of the value of land, whether as to soil or situation, prices of produce, or facilities of communication."

This section is re-enacted as Section 106 of Bombay Act V of 1879, but the following section adds a proviso :—

"107. Nothing in the last preceding section shall be held to prevent a revised assessment being fixed :—

(*a*) With reference to any improvement effected at the cost of Government, or

(*b*) With reference to the value of any natural advantage, when the improvement effected from private capital and resources consists only in having created the means of utilizing such advantage, or

(*c*) With reference to any improvement which is the result only of the ordinary operations of husbandry."

19. Attention will now be directed to Section 107.

The principles which the Governor in Council desires to maintain are :—

(1). That enhancements of assessment shall be based on "general considerations" and not on the increase of value in particular fields.

(2). That the occupant shall enjoy the entire profit of improvements made at his own cost.

20. These principles being applied to the interpretation of Section 107 it is observed that "reference to general considerations of the value of land" means reference to increased value due to extraneous causes distinct from the result of expenditure of money or labour by the occupant. For instance, a railway which affords a better access to markets is such a cause. Its value may be judged by examining the scale of prices over a long period and noting the proportion of increase which appears to be permanent. Again by obtaining returns of the selling and letting value of land.

21. The rise in value may be due to improvements made by the landlord, in this case the State. Clause (*a*) enacts that such improvements effected at the cost of Government may be considered in fixing a revised assessment.

22. The interpretation of Clause (*b*) is more doubtful and will be further considered below.

23. Clause (*c*) was intended to meet the case of Pot-kharab and also would apply to cases where waste land has been assessed at very low rates in order to encourage its cultivation. This latter case however does not occur in Bombay and the clause is of no practical use (to meet it). Another course is taken under rules subsidiary to Act V. with (1) land the bringing of which under the plough "will be attended with large expence"; (2) the reclamation of salt land.

Such lands are given by contract free for a certain term and at the end of it on a rent gradually rising up to the full assessment.

24. So far then in this Presidency the conditions on which assessments are enhanced on revision do not effect the value of improvements made by the occupant. The case of these has now to be considered. In other words, what is the effect of Council (*b*) of Section 107 on the assurance given in Section 106.

25. His Excellency in Council desires to regulate the

action of Government in this matter by the broad principle that the occupant of land pays for the use of all advantages inherent in the soil when he pays the assessment on the land. Among inherent advantages he would include subsoil water and rain water impounded on the land, and he would secure to the occupant altogether free of taxation any increased profit of agriculture obtained by utilizing these advantages through expenditure of labour or capital.

26. His Excellency in Council has no desire to claim any part of such profit for the State either immediately or after a certain term of exemption. There may be provinces where some reservation is necessary, but in the circumstances of Bombay His Excellency in Council is convinced that the material interests of the country will be more truly advanced by laying down a broad principle that the occupant may apply labour and capital to the utilization of all inherent advantages in perfect security that the profits acquired by his labour and capital will never be taxed by the State, than they would by reserving a discretion to tax these profits attended by a feeling of uncertainty when and how they may be taxed. The encouragement of higher cultivation in a fully cultivated province is of infinitely greater public importance than the small prospective increase of the land revenue which may be sacrificed by guaranteeing to the occupant the whole profit of his improvements.

27. This Government has already acted on the broad principle stated above. Wells are the universal and most important means of utilizing inherent advantages. The Government in 1881 issued a general assurance (Government Resolution No. 6,662 dated 10th November, 1881), that Section 107 (*b*) of Act V. of 1879 is not held applicable to wells constructed at the expense of the owner or occupier of the soil in which they are dug. This rule was in fact partially in force (as a rule for guidance in revising assessments) as early as 1871: it was extended to the whole of the Deccan and Southern Maratha Country in 1874: and was made a rule of general application in 1881.

28. It is clear therefore that as regards the commonest form of agricultural improvement the Government has given complete assurance to any occupant who proposes to construct a well, that the increase of profits resulting from it will not be considered as a ground for increasing the assessment on revision. If it is argued that this assurance

is not in the terms of the law but in an executive order, on the other hand it is to be remembered that the revision settlements made in subjection to it are unalterable for 30 years. It was also notified in 1881 that if any other kind of improvement is contemplated, Government will decide, at the request of an applicant for an improvement loan, whether Section 107, Clause *b*, applies to his project or not. The same assurance can of course be obtained if the improvement is made by means of private capital.

29. These executive orders were promulgated at a time when, according to the custom of preceding rulers, old wells existing at the time of the original survey settlements, and in many cases known to be the property of Government, had been subjected to special water assessment. With regard to these it was in 1874 made a rule applicable to the whole of the Deccan and Southern Maratha Country that in the case of old wells constructed before the first settlement, all special water assessment should be abandoned, and only the maximum dry-crop rate should be levied. This rule was made of general application in 1881.

30. These rules are important at the present time in connection with operation for revision of the original settlements in the province of Gujarat which are about to be commenced.

31. His Excellency in Council entirely concurs in the soundness of the principle approved by the Government of Bombay in 1866 and 1868. Resolution, Revenue Department, (No. 2,110, June 8, 1866,) that the assessment by a light rate of the water-producing qualities of the soil is preferable to the system of assessing highly only such lands as are found to be already supplied with wells. In a Resolution, Revenue Department, of March 27, 1868, the views of the Government were thus expressed :—

"In regard to special taxation of wells, it is said with truth that water is, like mineral wealth, fairly taxable by the landlord when used by the tenant. His Excellency in Council however considers that the first principle of its taxation should be that which governs our taxation of the land itself, that is the capability of being used rather than the use itself. If water of good quality be easily available near the surface, it is more reasonable to tax such land by a light additional rate, whether the water be used or not

than to lay an oppressively heavy tax on those who expend capital and labour in bringing the water into use."

32. Difficulties were experienced in carrying these views into effect, but the hope was expressed that when the time for a revision settlement should come, means might be found for abandoning the special rates imposed on existing well. The subject has again been under the consideration of Government and sanction has been given to the adoption in the survey settlement of parts of the Panch Mahals of the plan of taxing subsoil water advantages by a scarcely noticeable increase of the soil rates on the land possessing such advantages, all special water rates being abandoned. The results of this experiment will form a guide for the introduction of a similar reform in the revised settlements of Gujarat.

33.—In the Land Improvement Loans Act of 1883, Section 11, it is enacted—

11.—When land is improved with the aid of a loan granted under this Act, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land revenue on the land.

Provided as follows:—

(1). Where the improvement consists of the reclamation of waste land, or of the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rules to be framed by the Local Government with the approval of the Governor-General in Council.

In the debate in Council on this section it was explained that the proviso has regard to such circumstances as those large tracts in the Punjab, where there is a very large amount of waste land unoccupied and a very sparse population. The land in its unirrigated state is of very little value and is assessed at about one anna per acre, but as soon as water is brought in it can be assessed at 14 annas or one rupee per acre. But in districts where the land is fully cultivated and where there is a very small margin of waste and a very full population it was held that the section was properly applicable without the proviso. In Bombay provision is made for bringing land into cultivation under special difficulties and for the reclamation of salt lands by agreements or leases under which the land is given for a certain term

rent-free, for a further term at a low rate per acre, and is then assessed like other land adjoining. The land when brought up to the level of ordinary cultivation is thus assessed at the ordinary and not at a special rate in pursuance of a contract with reclaimer. Except in these special circumstances, land is not in this Presidency assessed below the value of its natural advantages because it is waste, and having regard to the policy stated as to wells, His Excellency in Council sees no probability that improvements consisting of "the irrigation of land assessed at unirrigated" will at any period be taken into account in estimating the agricultural profits on which an increase of assessment will be based.

34. His Excellency in Council is led by these remarks to consider whether the three clauses of Section 107 of the Land Revenue Code are necessary for the security of the land revenue. Having regard to the power reserved under Section 55 to fix rates for the use of the water of streams and tanks which are vested in the Government, and under the Irrigation Act to charge rates for canal water and percolation and leakage rates, to the policy declared with reference to subsoil water drawn from wells, and to the system of reclamation leases described above His Excellency in Council considers that Section 107 or at any rate Clauses (*b*) and (*c*) are unprofitable to the land revenue. If in some case, not at once perceptible, an increase of land revenue might be claimed under these clauses without violating any of the pledges given by Government from time to time, and this is very doubtful, His Excellency in Council is satisfied that no such advantage is comparable to the disadvantage of retaining on the Statute-book a proviso which is of such doubtful significance as to be capable of discouraging the investment of capital in agriculture. The repeal of Section 107 in whole or in part will therefore be taken into consideration.

35. The next point to notice is the limit which Government imposes on the percentage by which the land revenue assessments may be enhanced by the Survey Department on revision.

36. By Resolution, Revenue Department, No. 5,376, of October 29, 1874, the following regulations were laid down for certain districts in the Deccan :—

"1st. The increase of revenue in the case of a taluka or

group of villages brought under the same maximum dry-crop rate shall not exceed 33 per cent.

"2nd. No increase exceeding 66 per cent. should be imposed on a single village without the circumstances of the case being specially reported for the orders of Government.

"3rd. No increase exceeding 100 per cent. shall in like manner be imposed on an individual holding.

"It is desirable here to state the principles which should be adopted in dealing with the last description of increases. Putting fraud or obvious error in the calculation of the original assessments out of the question, these excessive increases in individual cases will be found to be due to one of three causes:—

"1st. To the assessment of land which was deducted by the original survey as unarable and unassessed, but nevertheless included within the limits of the original assessed number.

"2nd. To enlargement of the original assessed number by portions of neighbouring lands unassessed at the original settlement having been with or without permission encroached by the rayats and cultivated together with the original assessed numbers.

"3rd. To the alterations that have been made (1) by the adoption of a different valuation scale and (2) by putting a higher value on the soils themselves.

"As regards the second cause, His Excellency in Council is of opinion that lands so appropriated must be regularly valued and assessed, no matter what increase in assessment may thereby result.

"As regards the last cause, it must be borne in mind that the officers employed in the infancy of the survey worked on varying scales of valuation, and that the systems they severally adopted were consequently more or less tentative or experimental. It was not till after the lapse of a few years that the then Superintendents of survey were able to fix upon a uniform system of valuation which was subsequently embodied in the Joint Report. However much therefore His Excellency in Council would wish to avoid extreme increases in the assessment on individual holdings, there can be no doubt about the superiority of the Joint Report system, and of the absolute necessity for determining and upholding a classification of soils based as far as possible on correct and uniform data.

"It is understood that the Joint Report system was generally adopted a very few years after the introduction of the early assessments, and that consequently no alteration will be required to be made at future revisions. Explanation on this point should, however, be clearly given in future, and also for each future revision in respect to the extent to which it has been found necessary to alter and depart from the classification value originally fixed on the different descriptions of soils. The smallest extent of variation from the old valuation consistent with the principle laid down in the last paragraph should be permitted, and the greatest care should be taken to keep the valuation of the poorest and lighter soils low.

"If the above rules are adhered to, the cases in which the enhancement of the assessment in individual holdings will be found to be in excess of the prescribed limit will probably be very few. In order to prevent excessive individual increases, the fixed standard of valuation must not be abandoned. It will always be optional with Government to remit wholly or in part, or for a particular period, such proportion of the increase in excess of 100 per cent as may seem necessary; but the correct value of the land must be carefully ascertained on a uniform basis, and the proper assessment thereon duly calculated and recorded."

37. These rules have not been formally extended beyond the districts for which they were framed. The reason of this is to be found in the imperfection of the measurement and classification done in the earliest years of the survey. The revision of the earliest original settlements has however been effected, and the limits above set forth can now be adopted, as in fact they have been in the revision settlements of the past two years, without injustice to the public interests. His Excellency in Council is therefore now able to direct that these limitations of enhancement shall be observed in the revision of all original settlements of which the term expires after the revenue year 1883-84.

38. His Excellency in Council will state in conclusion the views of Government as to the collection of the land revenue. It is often asserted that the rigid exaction of the land revenue in good and bad seasons is incompatible with the sustained solvency of the rayat. It is however to be noted in the first place that in a revenue settlement everything affecting the security or insecurity of agriculture

in the tract under settlement is weighed and the maximum rate of each group of villages is graduated accordingly. No consideration is more potent in the adjustment of rates than the security or insecurity of the crops in the area under settlement. A taluka is often divided into five or six groups for no other reason than the comparative certainty of the rainfall. Thus allowance is made in the assessments for the fluctuations in agricultural returns caused by variations of season by what may be called a standing remission co-extensive with the settlement in favour of the less fortunate tracts. The principle certainly is that the assessments thus carefully adjusted to the average production should be punctually paid. But even in ordinary years the practice stated in the passage* from the Report of the Famine Commission has been pointed out to the Collector as a guide. And when any agricultural disaster which can be called abnormal occurs, the principle of rigid exaction is unhesitatingly set aside. In recent years, land revenue instalments have in fact been frequently suspended. If it is found possible to collect these instalments in subsequent prosperous years, the advantage attributed to rents in kind is secured, *viz.*, that the ryot pays when he has wherewith to pay and is excused payment when he has not. If not, the arrears are remitted. If the disaster is serious, remission is sanctioned rather than suspension, and always a careful enquiry into individual cases is held before it is decided whether the suspended land revenue should be collected or remitted. The reason why the subject of remissions is not treated in the Land Revenue Code is that each case is considered by the Government, to whom every agricultural disaster is promptly and fully reported. But in order that the policy of Government may be understood and that the action of the Collectors on such occasions may be uniform, the

* With regard to landowners or rayats who fall into difficulties in ordinary years, we do not consider that any radical change in the prevailing method of revenue collection is needed though a reasonable indulgence may well be shown in a few exceptional cases of individual misfortune. The Collector should understand that Government looks to him to manage its estate to the best advantage, and that notwithstanding the general principle of the settlement he is entrusted with discretion to postpone the demand in the case of persons whom it is to the public interest to maintain on the land. The interest of the landowner and the interest of the Government, as the chief landlord, are identical, and it should be understood that the Collector is not to sacrifice a good tenant to the principle of the settlement by rigidly selling him up and ejecting him because his revenue is in arrear.

following rules have been added to the Provincial Famine Code :—

"A.—SUSPENSIONS AND REMISSIONS OF LAND REVENUE.

"138. When a Collector has clearly ascertained that an abnormal failure of the harvest, causing total or almost total destruction of the crops over a considerable area, is certain, he is authorized to suspend the collection of the next ensuing instalment of land revenue in such area and any subsequent instalment or instalments falling due while the failure continues. The Collector shall forthwith report his proceedings, stating fully the reasons for his order and the extent of its application, with all other particulars, to the Commissioner for the information of Government.

"139. The Collector will cause the occupants, whose land revenue is suspended, distinctly to understand that such suspension is provisional only, and that it will be decided after subsequent investigation whether the land revenue suspended will be ultimately remitted or collected.

"140. As soon as possible after the failure of the harvest has ceased the Collector will conduct a careful investigation into the loss of crops sustained by each occupant whose land revenue payment has been suspended, and its effect on his abilities to pay the suspended instalments, and will submit to Government through the Commissioner his recomendations for the remission or collection, or partial remission and collection, of the suspended land revenue.

"141. In framing his recommendations the Collector will consider whether the loss of harvest in each case has been total or partial, whether the occupant has been left without means or possesses a reserve of means or capital, whether he has lost or preserved his plough, cattle and agricultural stock. If the occupant has sub-tenants the Collector should ascertain whether he has recovered his rents from them or remitted them. On these and similar considerations the Collector will decide whether total, partial or no remission should be recommended.

"142. In no case should the Collector apply such pressure to obtain payment as will cause an occupant to sell his plough, cattle or agriculture implements, or prevent or retard the resumption of agriculture. The recovery of arrears, if any, should be from a surplus of means after

sufficient is allowed for the subsistence of the occupant and his family and the restoration of his position as a revenue-payer, and occupants should not be driven to borrow from sowkars in order to pay arrears.

"143. For the payment of arrears of suspended revenue, if ordered, the Collector may fix such instalments, extending over such period, as the circumstances of the occupant may require."

39. The principles stated in this resolution as to the non-assessment of the value of improvements made by the occupant are as applicable to Sind as to the districts of the Presidency proper. But the course of survey and settlement in Sind has not been parallel with that in the latter districts. The date from which the survey record may be accepted as complete must therefore be placed much later in Sind, or about 1875-76. Again while the soil assessment can be fixed so as not to require further revision, the water assessment cannot so be fixed. The productive value of land in Sind depends far more on the water supply than on the quality of the soil, and the water supply is a factor in the calculation of assessment to which permanency does not yet attach. The water is not an inherent advantage, but one obtained with some uncertainty and variation from without. A large proportion of the assessment is therefore a charge for water made available by external agencies other than the capital or labour of the occupant. A charge for its use might be made at any time, and if the charge is deferred until a revision takes place, the revised rates, which include both soil and water assessment, cannot be restricted by a maximum limit of enhancement applicable to quite different condition. The comparatively large enhancement in some of the recent revision settlements in Sind is chiefly due to an added charge for the use of increased water-supply of which advantage was taken by occupants during the currency of the previous settlement, but for which nothing extra was paid until the revision took place.

40. His Excellency the Governor in Council has now reviewed the whole of the subject proposed in the first paragraph of this Resolution. The land revenue assessments are based on most careful inductions of all relevant facts. There certainly are difficulties in reaching assurance as to the exact incidence of assessment rates. The attachment of the people to their land qualifies the precision of

the test supplied elsewhere by land passing out of cultivation when the rent is high in proportion to that on other land of similar quality. Data of the rents at which land is leased by private persons are not largely available. But as far as they are known they go to prove that the assessments are moderate. The incidence of the land revenue on the gross produce in Bombay was estimated in the Report of the Famine Commission at 7·6 per cent. The crop experiments made in recent years show that it is not in excess of that proportion. The object of this Resolution is to make publicly known the grounds of assurance that the land revenue will not be capriciously or excessively enhanced and that no part of the profits of occupants' improvements will be taken from them in that name. His Excellency in Council believes that this assurance is as complete and that the system as now explained approaches as nearly to a permanent settlement of the State rights as is possible with justice to public interests in a country of which the resources are still far from fully developed."

THE REVISION SETTLEMENT IN GUJARAT.

(*Bombay Gazette*, August 20.)

The following Government resolution has been forwarded to us for publication :—

BOMBAY CASTLE, 25*th July* 1884.

Letter from the Commissioner, N. D., No. 1,847, dated 24th May 1884, submitting correspondence [letter from the Deputy Superintendent, Guzerat Revenue Survey, No. 201 of 10th April 1884; memorandum from the Collector of the Panch Mahals, No. 1,283, dated 18th April 1884; letter from the Survey and Settlement Commissioner, No. 910, dated 3rd May 1884], regarding the revision settlement of the khalsa villages of the Jhalod Mahal in the Panch Mahals Collectorate; and making certain observations on the subject.

Letter from the Survey and Settlement Commissioner, No. 1,376, dated 2nd July 1884.

RESOLUTION.—The first survey settlement was introduced into the Jhalod Mahal in 1881-82 with a guarantee of only two years, so that a revision might take place simultaneously

with that of the original settlement in the adjoining Dohad Taluka. The Jhalod rates of assessment were light, the average dry crop rate per acre being only 13 annas 10 pies, that for rice Rs. 1-12-10, and that for garden land Rs. 2-6-0. The results were reported to be satisfactory in 1883, and it is not proposed to make any alteration in the general rates or grouping on revision. The new operations of which the result is now reported are those undertaken under the orders of Government in resolution No. 3,107 of May 11th, 1882, that an experiment should be made in the application of the principle "that land which has facility for irrigation should be classed at a higher rate than land which has not, in lieu of imposing a special rate on lands actually irrigated."

2. As this experiment has attracted much attention and possesses great interest in connection with the approaching revision of survey settlements in Guzerat, His Excellency the Governor in Council proposes to set forth the views of Government upon it in some detail and in amplification of paragraph 31 of resolution No. 2,619 of March 26th.

3. The Jhalod Mahal is a sub-division of the Dohad Taluka and lies to the north of it, with Native States on its northern, eastern and western frontiers. The soil is generally of very good quality, and the subsoil water is *abundant and sure*. The tract is intersected by rivulets and by two more important streams, which afford facilities for irrigation by lift. But an isolated position, lawless neighbours, and a Bhil population have been adverse to settled agriculture, and the survey found only about 750 acres under irrigation from wells and water-lifts. Under the rule of His Highness Sindia, before A.D. 1860, the revenue was collected under a rude form of the village system, the district and village officers apportioning to each khatedar the quota of the aggregate assessment of the village for which he was deemed liable. There was no record of the area of holdings or of the fields held by each khatedar. Some improvement was made in the years following 1860 by rough measurements, but the survey settlement sanctioned in 1882 for the first time furnished an accurate statistical record in the usual form. The Mahal, however, enjoyed a steady advance in prosperity up to the year of scarcity, 1877-78, and in 1872 paid without difficulty a revenue demand of Rs. 33,873, which exceeds both the total assessment imposed at the original settlement of 1882 and

that proposed under the revised survey settlement. After a brief period of depression the revenue revived in 1880-81, the collections in which year were only 3·3 per cent. less than the full revenue demand under the original settlement sanctioned in 1882 for two years. Against this small increase is to be reckoned the advantage of improved communications, including access to a railway which gives facilities for the carriage of garden produce to the markets of Guzerat. The soil and water-supply of Jhalod have the capacity for large production of garden crops, but up to 1882, in lack of facilities for transport, tobacco, sugarcane, pepper and vegetables were grown on only 1·25 per cent. of the acreage under cultivation.

4. In the temporary settlement of 1882 the Survey Department proposed to place on the acreage under built wells and water-lifts a special rate equal to the maximum soil rate of the group in addition to the appropriate soil rate. This, being a very moderate assessment for garden land, was sanctioned for the two years of the settlement, but in according sanction His Excellency in Council expressed the opinion that it would be better slightly to increase the assessment of all lands which number facility for irrigation among their inherent qualities, than to assess a special rate on lands actually irrigated. The Commissioner of Survey was instructed to take measures for giving effect to this view during the two years of settlement, and the proposals now under consideration are the result of these instructions.

5. The effect of the revision settlement may be thus described. As the survey measurement and classification of the land has been reviewed, it is not open to any further revision or change. The relative values of fields have been finally determined, and no account will be taken in future of any change in relative value due to the improvement of a field by its occupant. Any future increase of assessment will be general for the whole tract, and on the basis of a general rise in the value of land ensuing on the development of agriculture and trade. In classifying the land according to relative value, account has been taken of the inherent advantage of accessible subsoil water, the existence of which has been ascertained by a very careful investigation by skilled agency working under elaborate rules. The portion of the whole assessment on the occupied land due to the appreciation of water advantage as an element of

classification value is Rs. 796 out of a total of Rs. 30,952-8-0. Spread over the occupied area possessing water advantage, the Rs. 796 represent about 1 anna per acre on the average. The average assessment being somewhat under Re. 1 per acre, the average assessment of water advantage is about 6¼ per cent. thereof. The difference in the total assessment of occupied land in the tract under the new system, Rs. 30,952-8-0, and that under the original settlement, Rs. 30,898-12-0, is nominal, or Rs. 53-12-0. The special well assessment abandoned was Rs. 742-4-0, and the assessment for water advantage is Rs. 796. But only a fraction of the Mahal is now under irrigation, while the unused facilities are great, and the average rate of 1 anna per acre is now accepted as the sole charge of Government on this inherent capability. The facility of obtaining water by lifts from streams is in this case included in the calculation, as His Excellency in Council is desirous of encouraging to the utmost the use of irrigation in this hitherto backward Mahal. The position therefore is this. The average assessment of the land including all inherent advantages is under 1 rupee per acre. After the extra franction for water advantage has been added, the assessment will, except in very rare cases, be within the maximum dry-crop rate. This assessment is to be paid whether the occupant uses all his advantages or not. He will pay no more if he irrigates his land, and no less if he does not. The assessment appears to absorb a moderate portion of the net profits of cultivation, and it is absolutely certain that the method of valuing the subsoil water advantage as an element of the permanent classification of value, can present no discouragement to the improvement of the land by irrigation or otherwise.

6. That there may be no ground for the misconception that the settlement, under review is a deviation from the recognized principles of survey settlement, His Excellency in Council will briefly review the history of this measure.

7. In the first place let it be noted that the question involved is not whether irrigated land should bear a higher assessment than unirrigated, but in what way the command of water for irrigation may be considered in estimating the relative value of a field, without discouraging the occupant from applying his labour and capital to bringing the water into use.

8. By immemorial custom irrigated land pays a higher

rent-charge per acre to the State than dry-crop. It is an old instruction by the Honourable Court of Directors that "land should be assessed according to its capability and not according to its produce." Mr. Williamson, Revenue Commissioner, wrote of the Indapursettlement in 1838: "The power of affording water for irrigation is one of the most valuable capabilities of land, and to bear it in mind in fixing an assessment is therefore strictly consonant to the orders of the Honourable Court." Government, concurring with the Revenue Commissioner, resolved: "The capability of the land depends as much on the facility for irrigation and local peculiarities, as it does on the colour, depth and other qualities of the soil. The principle, therefore, on which bagayat is assessed at higher rates than jirayat, is one which must be admitted generally." The writers of the joint report of 1847, in which the principles proposed and generally adopted for survey and settlement in this Presidency were first formulated, thus treated the subject:—

"The object sought to be ascertained by our system of classification is the determination of the relative values of the fields into which the land is divided during the process of measurement. The circumstances affecting the values of fields within the limits of the same village, where the climate may be considered uniform, are their natural productive capabilities, their position with respect to the village as affording facilities or otherwise for agricultural operations, and in the case of garden and rice lands, the supply of water for irrigation.

"We have found it desirable to estimate separately the intrinsic capabilities of the soil, all extrinsic circumstances affecting its value, and the facilities it may possess for irrigation.

"Irrigation greatly augments the productive powers of the soil, and whenever there is a command of water for this purpose, it becomes a very important element in fixing the assessment of the land for which it is available."

The estimation of these datas having been completed, maximum rates were fixed for the various kinds of cultivation, and these, when adjusted to the relative values of fields, gave the actual assessment of each.

9. The "command of water" was thus an advantage which raised the assessment, because it increased the pro-

ductive power of the soil. The assessment was based on the relative productive capacity of the fields, the difference of which is a measure of the rent, and the object was to secure as the Government revenue a part of the rent so measured, leaving a part to the occupant in addition to the cost of cultivation. It cannot be questioned that lands which have "command of water" for irrigation bear a higher letting value and can equitably bear a higher assessment than lands which have no such command.

10. The survey assessed as irrigated the lands then actually under irrigation. It treated the matter in one of the two or more possible ways in which it may be treated. That is to say, while assessing only actual irrigation, it contemplated the ultimate assessment also of new irrigation after the converter of dry-crop into irrigated land should have enjoyed the benefit of his improvement for a time. The following are extracts from the rules embodied in the joint report :—

"The assessment . . . has been fixed by Government for a period of thirty years, during which period the full benefit of every improvement, such as the conversion of dry into irrigated land by the digging or repairing of wells and tanks . . . will be secured to the incumbent of the land, and no extra assessment levied on that account."

This rule reflected the practice under the Mahratta Government, whereby a cultivator proposing to dig a well obtained a promise of exemption from increased assessment on account of it, for a period agreed upon. It is identical in principle with the section of the Land Improvements Loans Act of 1883 [Act XIX. of 1883, Section 11] from which the following passage is quoted :—

"When land is improved with the aid of a loan granted under this Act, the increase in value derived from the improvement shall not be taken into account in revising the assessment of land revenue on the land : Provided as follows :—

"Where the improvement consists of . . . the irrigation of land assessed at unirrigated rates, the increase may be so taken into account after the expiration of such period as may be fixed by rules to be framed by the local Government with the approval of the Governor-General in Council."

11. But after 1847 and long before 1883 the policy of the Government of Bombay as to assuring to occupants the

value of improvements, had taken a different course. This policy received legislative confirmation in the following Section of the first Survey Act (Act I. of 1865,. Section 30) :—

"It shall be lawful for the Governor in Council to direct at any time a . . . revision of assessment. Such revised assessment shall be fixed, not with reference to improvements made by the owners or occupants, from private capital and resources, during the currency of any settlement under this Act, but with reference to general considerations of the value of land, whether as to soil or situation, prices of produce, or facilities of communication."

12. This section was re-enacted as Section 106 of the Land Revenue Code (Bombay Act V. of 1879), and this Government has never deviated from the principle here declared as to improvements. It has been supposed that the following Section 107 (*b*) cancels the assurance given in Section 106 as regards such improvements as wells. But Section 107 (*b*) was not so intended, and has never been so interpreted. It was stated authoritatively in the debate on this section in the Legislative Council that "direct improvements, caused by digging wells, &c., at the expense of the cultivator, are held free of assessment," as they had in fact been exempted under special orders of Government in all the revision settlements up to that date. And in 1881 the Government gave a general assurance that Section 107, Clause (*b*) of the Land Revenue Code, "will not be applied to wells dug at the expense of the owner or occupier of the soil."

13. It should be noted carefully that this assurance and Section 30 of Act I. of 1865 and Section 106 of Act V. of 1879 relate to revision, and not to original settlements. Section 30 of the Act of 1865, while concelling the apparent intention of the rule under the joint report to assess as irrigated the land brought under irrigation at the expense of the occupant after he should have enjoyed the profits during the term of a current settlement, said nothing about the land assessed as irrigated at the original settlement. No intention was expressed of abandoning the higher irrigation rates on this land, and perhaps it was understood that most of the land which could easily or naturally be brought under irrigation was already irrigated when the survey began its work. The inclusion of irrigation as one of the elements of the relative value of land on which its assess-

ment is based, was part of the operations of all the original settlements. The method in the Deccan was the fixing of higher maximum rates for irrigated, cultivation, and in Guzerat, at least in the earlier settlements, the imposition on the well of an assessment which was then distributed on the land under it.

14. But before the first revised settlement (that of Indapur in 1866-67) took place, the policy of the method of assessing irrigation pursued at the original settlements also came under review. The Survey and Settlement Act of 1865 came into force in January 1865. In March 1865 the Revenue Commissioner, N. D. (Sir Barrow Ellis), addressed Government thus :—

"I have the honour to submit, for the consideration of Government, the propriety of abandoning in future survey settlements in Guzerat and Khandesh all assessment upon wells. The loss of revenue to Government I propose to make up by taxing the water-producing capability of soils, or, in other words, by slightly enhancing the valuation of land in which water is obtainable close to the surface.

"2. The necessity for a change of system has become apparent in Guzerat, where no mode that has hitherto been devised for taxing lands irrigated from wells is free from the objections of want of simplicity, liability to evasion, and inequality of incidence.

"3. On this subject Captain Prescott, Superintendent of Survey, Guzerat, reports as follows :—

"'Everybody admits that the assessment of wells dug at the expense of private individuals, and not by the State, is contrary to all principle; the question is only whether it is needful, and whether the State will suffer serious loss by dispensing with the extra assessment on land irrigated by private enterprise.

"'Water in the soil, and very close to the surface, is a gift of nature almost peculiar to the province of Guzerat. It ought, therefore, to be considered as one of the fertilizing elements of the soil, and its value incorporated and included in the soil-assessment whenever it is practicable.

"'As a case in point the Superintendent may mention that he is at present engaged in framing a scale for the classification of the rich sugarcane lands in the western portion of the southern districts of Surat, which are watered

ndiscriminately from "pucka" and "kutcha" wells. 'Pucka" and "kutcha" wells are found side by side.

"'A "pucka" well, lasting seventy or eighty years, costs rom 45 to 60 rupees; a "kutcha" well from 5 to 8 rupees per annum. It is consequently cheaper in the end to sink a "pucka" well at once; for the interest of Rs. 60 at 12 per cent. per annum is less than the yearly cost of a 'kutcha" well.

"'Now, there are only two ways of assessing land like this: one by putting a rate on every bag used to lift water (whether taken from a "pucka" or "kutcha" well) in addition to the soil-rate; the other by putting the full assessment, whatever it may be, on the soil at once.

"'The latter is the right way, for the former, besides being objectionable in every respect, would be evaded to a certainty.* Now, on land like this it would manifestly be absured to attempt a well-assessment or to draw any distinction between "pucka" and "kutcha" wells. A good classification will show every acre of land having this peculiar advantage, and a fixed high special "bagayat" rate will meet all the requirements of the case.

"'The Superintendent thinks it is worthy of consideration whether in future the assessment of "pucka" wells in Guzerat may not be got rid of by slightly raising the dry-crop maximum rates, so as to meet the loss of revenue occasioned by striking off the "bagayat kasar."

"4. I think it must be admitted that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay survey. All wells built hereafter by individuals, will be free from taxation: it seems hard that wells similarly built by individuals, but before the advent of the survey, should be placed at a disadvantage, and subjected to heavier taxation for no reason save that their owners were in advance of their neighbours in employing their capital in agriculture.

"5. On the other hand, it is quite consistent with the principles of the survey that if the inherent qualities of the soil be such that water is produced by digging for it within a few feet of the surface, this capability should be taxed as well as other elements of fertility."

* 'In Dholka, wells built for four "kosses," capable of watering, say, 16 acres of land, and which it was supposed would pay four bag rates, work one "koss" only for 24 hours, instead of four "kosses" for 6 hours, and by this contrivance evade the full tax, paying for one bag instead of four.'

15. The subject was thoroughly discussed by the Collectors and Superintendents of Survey, and practical difficulties were suggested in certain localities. The conclusions of the Government (of which Sir Barrow Ellis had become a member, Sir Bartle Frere being Governor) are set forth in the following resolution dated June 8, 1866 :—

"The question submitted by the late Revenue Commissioner, N. D., was whether a system might not be adopted for assessing by a light rate the water-producing qualities of the soil, in preference to the present system of assessing highly only such lands as are found to be already supplied with wells.

"2. The authority of Major Wingate is quoted in support of the present system. But that able revenue officer admitted the correctness of the principle advocated in the letter from the late Revenue Commissioner, N. D., 1,045 of the 30th March 1865, and it seems that he was deterred from adopting the system, which he deemed to be better theoretically, by the consideration that it would involve a large sacrifice of revenue, and that the continuance of the system which he found in existence would not be felt as a hardship if the assessment were properly adjusted.

"3. In the discussion which has taken place there appears to have been some misapprehension, and questions not altogether relevant have been raised. The result, however, appears to be that the correctness of the theory is admitted, but difficulties are raised in respect to the practical application of the principle.

"4. These difficulties do not everywhere exist. As an instance, it may be noted that Major Francis has introduced a similar system into the district of Kandiaro in Sind. In the bhatta lands of Guzerat the principle has also been successfully adopted by Captain Prescott and Mr. Pedder. The plan is certainly practicable where the lands in which wells may be dug are in tracts of considerable extent. Where the well-assessment is likely to disappear altogether in a short time, as in some of the districts of Guzerat, or where it is likely to fall off owing to the small profits of such cultivation as compared with dry-crop cultivation, it is surely better to devise and adopt some system for taxing the irrigable quality of the land. This need not be by the general imposition of additional assessment on all lands; it would naturally fall only on the best lands, which are ordinarily those in which such capabilities are found. It

may in some places be necessary to have the portion of the village lands to which such extra assessment would be applicable noted and recorded by the assistant in charge of classing duties; and His Excellency in Council does not think that the task would ordinarily be as difficult as the work of fixing again rates for garden lands under the present system. On the other hand, there are doubtless districts in which it would be difficult to carry out the taxation of the water-producing powers of the land sufficiently to compensate for the abandonment of the present system. But these exceptions should not prevent the adoption of a more correct system wherever it is practicable.

"5. Captain Prescott has framed a plan for working out an application of the principle. He may be permitted to try this in any district in which it may be found appropriate, and the result will appear in the settlement report. It will be sufficient for Government to record an opinion that the principle should be the basis of settlement whenever the Superintendent can safely and conveniently apply it. There can be no greater inducement to the digging of wells than the exemption of all wells from assessment. Of course, this exemption could not affect retrospectively assessment now being levied, but whenever a revision takes place the Survey Commissioners and Superintendents should consider whether the special rates imposed on existing wells may not be got rid of without a great sacrifice of revenue."

The new system of assessing by a light rate the water-producing qualities of the soil, instead of assessing highly only such lands as are found to be already supplied with wells, was thus left for introduction, or at least for experiment, "whenever a revision takes place." In Guzerat the time for this has only now come, as revisions are about to begin.

16. But in the Deccan, revisions, began in the very next year, and that of Indapur was the first. In submitting his proposals for this revision, the Commissioner of Survey wrote (No. 147, dated February 12th, 1867, paragraph 178) :—

"The course adopted by me is to put the first-class jirayat (dry-crop) rate upon all land capable of being irrigated from existing wells, irrespective of the value assigned to it by the jirayat classification. But where the

land has been classed at the full jirayat, no addition has been made in consideration of its being irrigated by a well. Government wish a general addition to be made to the jirayat rates of all lands possessing a water-bearing stratum, but it is almost impossible, I think, to work out this plan in the ever-varying soil of the Deccan. I have, therefore, taken existing wells as the guide, and considered only the land under them as having a water-stratum."

17. The remarks of Sir George Wingate were obtained on the proposals for the revision settlement of Indapur. In handing them up Colonel Francis, Survey Commissioner, wrote :—

"I would draw attention to the remarks in paragraphs 6 and 7 upon the question of assessing lands irrigated from wells. Sir George considers that water obtained from sinking a well may be viewed as a mineral resource, and be fairly taxable as such, after allowing for the expenses incurred in obtaining and making it available for irrigation. This is one of the best arguments I have yet heard in defence of the system of assessing well-irrigation. For this, and for other reasons, Sir George dissents generally from my proposals for exempting lands from extra assessment on account of well-irrigation. He thinks, however, that a drought-stricken district like Indapur may be specially treated as proposed by me. If thought advisable, therefore, my proposal might be held to be applicable only to Indapur."

What Sir G. Wingate wrote was as follows :—

"The question of excepting improvements made with the cultivator's capital, considered in the 135th and following paragraphs, is an important one, but demands very careful consideration in its practical application. The Survey Act limits the discretion of the revising officer more than is perhaps desirable by the enactment in the concluding part of Section 30, that 'such revised assessment shall be fixed, not with reference to improvements made by the owners or occupants from private capital or resources during the currency of any settlement under this Act, but with reference to general considerations of the value of land, whether as to soil or situation, prices of produce, or facilities of communication. Colonel Francis considers that this provision clearly exempts land brought under irrigation by the construction of a new well, or the repair of an

old one, from the imposition of additional assessment on that account. I am not satisfied of the correctness of this view, and although a decision may not be of much importance in the case of Indapur, it may be, and probably would be, so in other districts where well-irrigation is extensively carried on and admits of great development. The application of the cultivator's capital to the construction of a new well, or the repair of an old one, does not *create* water for irrigation, but simply provides means for raising the water stored in the subsoil, to the surface, and applying it to the land. The well is the production of the cultivator's capital, but the water is not. The operation is exactly analogous to the opening of a new mine, until which time the subterranean mineral lies useless to man, and yields nothing to the proprietor of the land in which it exists. But when once capital has supplied the means of bringing the mineral to the surface in a form suitable to man's wants, it immediately acquires value, and yields a rent or royalty to the proprietor of the land from which it is extracted. Water, like minerals, is a subterranean product, of great value in tropical climates, and therefore capable of legitimately yielding a rent to the lord of the soil, who is the Government in the present case. Colonel Francis estimates the average cost of the new wells constructed in Indapur at Rs. 400 each. 5 per cent. on this capital, *i.e.*, Rs. 20, with an addition for the replacement of the capital in 50 years, which may be considered as the duration of an ordinary well, together with an allowance for annual repairs, say Rs. 10, thus making Rs. 30 in all, would be an adequate return to the cultivator for the expenditure of his capital; and if the additional value conferred upon the net returns from the land irrigated from the well over and above those obtained from it when cultivated as dry-crop, should exceed Rs. 30, then this surplus forms the value of the water which was previously an undeveloped capability of the land, and may most legitimately be made the subject of additional assessment.

"I am unable, therefore, to agree with Colonel Francis in considering the conversion of dry-crop into garden land, by the construction of a new well or the repair of an old one, to be in all cases excluded from increase of assessment by Section 30 of the Survey Act. I would not, however, propose to apply to such land any higher rate of assessment than the maximum dry-crop rate which Colonel Francis

has recommended, though I think it might be desirable to record all lands irrigated from wells separately from the ordinary dry-crop, with the view of presenting accurate statistics of the settlement, and of facilitating the imposition of special rates of assessment on garden land at a future settlement, should that course be then deemed desirable. It may be further mentioned, in support of this suggestion, that should the district ever be brought under irrigation by means of a canal from the Mutha or other river which is referred to in the 189th paragraph of the report, the saturation of the soil by this means would probably give a great extension to well-irrigation, so that the question of an additional assessment for that description of cultivation might rise into importance.

"New rice-land made out of dry-crop land at the rayat's expense Colonel Francis also considers to fall under the exemption contemplated in Section 30. This view does not seem to be so open to question, though a good deal might be said on the subject of the situation of the land and the additional value of the produce resulting from its conversion into rice-lands. Where the situation is favourable, so that the return is large compared with the expense of convertion, this higher value is due as much to the inherent advantages of the locality as to the application of the cultivator's capital, and a higher rate of assessment might on that account without unfairness be imposed, and as the question is not a practical one in the case of Indapur, which is not a rice-growing district, I think it would be impolitic for the Government to foreclose it before the revision of the settlement of a rice-district comes on for consideration, and however it may be settled, the converted land should, I think, be recorded in the survey registers as rice-land, in order to preserve correct statistics of the cultivation at the time of settlement."

Sir G. Wingate thus asserted the right of the State to share in any profits which might accrue from digging a well after allowing for recoupment of capital spent on it and for maintenance. He was content, however, in Indapur to assess land irrigated by new wells during the term of original settlement, at the maximum dry-crop rate on revision.

18. The Government considered the principles of assessment thus discussed, in a resolution which sanctioned the proposals of Colonel Francis for the revision settlement of

Indapur. The following are extracts from this resolution (No. 1,211, dated March 27th, 1868) :—

"There is a great deal of force in what Sir George Wingate urges in his 6th to 9th paragraphs about the taxation of improvements. But Government cannot fully coincide in all his conclusions.

"In regard to special taxation of wells, it is said with truth that water is, like mineral wealth, fairly taxable by the landlord when used by the tenant. His Excellency in Council, however, considers that the first principle of its taxation should be that which governs our taxation of the land itself, that is, the capability of being used, rather than the use itself. If water of good quality be easily available near the surface, it is more reasonable to tax such land by a light additional rate, whether the water be used or not, than to lay an oppressively heavy tax on those who expend capital and labour in bringing the water into use. There is, however, a point at which this principle must be modified; for, when the land is such that when water is not brought to it it will bear nothing, and when water is used it will yield a fine crop, then even a light tax in the former case is impossible. Of this class are the sandy tracts in the Konkan, which under the influence of water become cocoa-nut gardens. It must be held that the right of Government to levy a rate by virtue of the water below the surface, is in abeyance, or dormant till the water is produced, but it is doubted greatly even in this extreme case, whether it is politic, though it may be asserted to be just, to levy more than would be leviable from first-class rice-ground which enjoys also the benefits of water, not created it is true by the tenant, but utilized by means of his preparation of the ground.

"The question of rice-fields as compared with dry-crop land next naturally arises. The Governor in Council is not prepared at present to concur wholly with Sir George Wingate; for it may be asked whether the adaptability of the soil to rice crops is not sufficiently taken into account if the land when so adapted is treated as first-class dry-crop land, without adding a special rate because the tenant has expended capital in developing its qualities."

The Government thus declared its preference for the principle of taxing by a light additional rate land which possesses the advantage of subsoil water, whether the water is used or not, to the principle advocated by Sir G. Win-

gate, viz., that of taxing the actual profits of a well when constructed. But it was added that in cases where the land has no productive capacity until water is brought to it, the former principle does not apply, and the assessment must be based on the use of the water. Even here, however, the Government deemed it politic to limit the assessments of land under wells, to the rates fixed for first-class rice-ground.

19. The Government then stated its conclusions as to the application of the two principles to the circumstances appropriate to each :—

"And in respect to garden lands it is true that in some districts the difficulty of ascertaining what lands have water capabilities may prevent the adoption of a system that, in lieu of taxing wells specially, taxes all land capable of producing water with a reasonable amount of trouble. Still Government would advocate the propriety of restricting the demand of Government on well-lands to the maximum rate on first-class dry-crop soils. An extra rate for water capabilities in all districts in which such capabilities may be easily ascertained and recorded, might properly be added to the classification, just as a double crop, or other special fertility, is dealt with. But this may not be practicable or expedient everywhere, and in all districts, such as that of Indapur, in which the garden cultivation is scanty, and it is a great object to encourage it, the best policy is that which Colonel Francis has adopted. It may be difficult to ascertain what lands are capable of producing water, but it is easy to make the maximum for dry-crop lands the maximum for well lands also. This course, which His Excellency the Governor in Council sanctions in the district now under review, will certainly lead to the great increase of well-cultivation during the currency of the settlement now about to be made."

That is, in some districts the difficulty of ascertaining what lands have water capabilities may prevent the application of the principle preferred by Government, but in all districts in which such capabilities may be easily ascertained and recorded, the proper method is to add to the classification an element which will somewhat increase above its dry-crop rate the assessment on the land which possesses such capabilities. In districts where it is difficult to verify the existence of subsoil water advantage, and specially

where garden cultivation is scanty, it was thought preferable to make the maximum for dry-crop lands the maximum for well-lands also.

20. The subject was carried further in the orders of Government in August 1871 on the revision settlement of the Madha Taluka. The Survey Commissioner wrote of Madha :—

"The Acting Superintendent adopted the Indapur plan of assessing well garden lands, which provides for the imposition of the highest jirayat rate of the village on all lands irrigated from existing wells which include those constructed during the period of the settlement, as well as the old ones subjected to the assessment at the first settlement of the district.

"Under the rules in force the existence of well-water supply in taken as an element of special value pertaining to the soil, which is provided for by a small addition to the classification rate, in the same way that we increase the classification value of a field if it is capable of growing a second crop owing to some inherent moisture in the soil."

21. Colonel Francis evidently supposed that he was carrying out the desire of Government to tax the subsoil water advantage by a light extra rate in the only way practicable in the Deccan. But the Government would not permit a measure which so nearly approached the taxation of improvements as even a light extra rate imposed on the evidence of a well made at the cultivator's expense. A resolution was therefore issued as follows (No. 4,050, dated August 22nd, 1871) :—

"The plan of assessing lands irrigated by wells in districts like those of Indapur and Madha at the highest jirayat rate instead of imposing an extra well-assessment, has the entire approval of Government. But a maximum jirayat rate should clearly not be imposed in cases where a well has been constructed since the introduction of the survey, and that alone, and not the actual quality of the soil, warrants the imposition. To do so would in effect be to tax improvements made during the currency of a settlement, and would be in contravention of Section 30 of the Survey Act. The only principle on which such a proceeding would be justifiable, would be in consideration of the water-bearing properties of the soil. But the Survey officers have admitted their inability to act on this principle

generally, and the result of the proposed system is to tax the man whose enterprise and labour have induced him to sink a well, while his neighbour, whose land may possess precisely the same properties, escapes the extra burden, simply because he has not availed himself of his opportunities.

"It is of the highest importance to offer every encouragement to increasing the number of wells in those districts which are to subject to drought.

"His Excellency in Council directs that the rates on lands in these cases, both Indapur and Madha, be revised in order to their reduction, where it is shown that the well from which they are actually irrigated, and not simply rendered capable of irrigation, has been constructed subsequent to the introduction of the survey."

A certain inequality was thus introduced between the position of old wells and new, which must be admitted to be a defect in the system. At the same time the assessment of land under a well at not more than the maximum dry-crop rate, is a great concession as compared with the ordinary scale of assessment of garden lands, which is often equal to many multiples of the dry-crop assessment. And it must not be supposed that all land watered by old wells was assessed on revision at the maximum dry-crop rate. The addition made to the ordinary classification was regulated by a scale, so that a smaller addition was made in proportion as the ordinary classification was lower, or the land of inferior quality, and no addition was made on the lowest qualities of soil, or technically on soils classed at 4 annas or under.

22. The protection thus given to wells constructed in the period between the original and revision settlements by Section 30 of Act I. of 1865, has been constantly respected, and Clause *b* of Section 107 of the Land Revenue Code has made no change whatever in the practice of exempting them from taxation.

23. The rule that land found under irrigation from wells at the original settlement, and then assessed as garden land, shall at revision settlement be assessed not higher than the maximum dry-crop rate, was intended for "the drier talukas of the Deccan collectorates, where the rainfall is as a rule light and uncertain." In 1874 the rule was generally adopted throughout the Deccan and Southern Maratha Country, with this modification, that

"the Survey Commissioners should at their discretion be empowered, in the case of districts where well irrigation has been carried on on an extensive scale, to impose an assessment which should in no case exceed a well assessment previously levied," and as to water-lifts it was held admissible to class at a higher rate land within a certain distance from a stream from which water can be obtained by means of a lift. The rules applicable to the Deccan and Southern Maratha Country were extended to Guzerat in 1881.

24. At the same time the other, and as the Government has considered, preferable method has not been found altogether impracticable in the southern districts; for as revision operations advanced from the dry districts of the Deccan to others with greater command of subsoil water, notably those of the Southern Maratha Country, the principle of slightly raising the classification-value on account of command of water was adopted. Colonel Anderson, late Survey Commissioner, writes thus on the subject in connection with the revision of settlements in Guzerat (letter to Government, No. 1,202, dated November 12th, 1880) :—

"When the time for revision settlement arrives in Guzerat, the plan being followed elsewhere in all revision settlements will fully meet the case in question. All extra assessment on land watered by wells on account of the well, is abandoned, and a small extra assessment is placed on all lands having water so near the surface as to render it easily available, irrespective of the fact of a well having been as yet sunk or not. This general small increase will probably compensate for the smallest by abandoning the special extra assessment at a much higher rate on lands actually watered, because the area susceptible of being easily irrigated by wells is so much greater than that actually at present watered, though that area is everywhere increasing annually. Capital to be employed on land can now only find employment in improving means of cultivation. At the time of the first settlement it was more commonly turned to the acquisition and cultivation of additional land, which could then be obtained for the most part by simple application. The greater abundance of capital now, compared with the time of the first settlement, is an additional reason for changing the form of well taxation from an extra

cess on the actual use of well water, to an extra and lighter cess on the ability to obtain the use of water.

"Land with water near the surface is clearly in possession of a natural advantage which renders it a fit subject for a somewhat higher rate of land tax than land not having that natural advantage. In the revision, the possession of the natural advantage would be fixed by the re-classification carried so far at any rate."

25. There is therefore nothing in the treatment of subsoil water advantage in Jhalod to claim attention as a novelty, because it is not novel. But the method is more elaborate and more thoroughly identified with the ordinary work of classification than that pursued in the Southern Maratha Country. And with the financial result of the revision settlement, which is an increase of the assessment by Rs. 53-12-0 (the old assessment being Rs. 30,898-12-0 and the revised assessment Rs. 30,952-8-0) are to be noted the following results to the people, viz., that this system (1) relieves the agriculturist of heavy special well assessment, (2) relegates the valuation of "command of water" to the process of classification which is not to be repeated, and thus makes it part of the permanent estimate of the relative value of fields, (3) reduces the State tax on "command of water" as an element of value to a slight charge on the capability, instead of a heavy charge on the fact of irrigation, and (4) places at the disposal of the agriculturists, in perfect security from taxation of improvements, the large irrigational facilities of the Mahal, which have hitherto lain almost unused.

26. It remains to be seen whether this method, which is practically indeed already in force in the "natural bagayat" tracts of Guzerat, cannot be extended to all those parts of the province in which special well rates have hitherto prevailed. And it will be strictly in pursuance of the intention stated by Government from the first discussion of the subject, that an experiment should be made.

27. Whether that experiment will be successful or not, will depend (1) on the moderation of the rating for subsoil water advantage, and (2) on the accuracy with which that advantage is diagnosed. If the former operation is judicious and the latter successful, there can be no question, first, that the scheme will be a great benefit to occupants who now pay well rates, for they will pay a very small rate instead of a high one; secondly, that the scheme will attain

the object in view by offering no discouragement, but the contrary, to the future construction of wells by private capital.

28. It may be said that to take account of the subsoil water as an element of value in estimating the relative quality of fields, is to substitute a new way of taxing improvements for the old one. The argument is obviously unsound. In the first place, it has been shown above that the survey from the beginning took account of the "command of the water" for irrigation as a very important element in fixing the assessment of the land for which it is available. The practice is, therefore, as old as the survey. Next, the principle as approved since 1866 takes no account of effected improvements, but looks to the inherent quality of the field as a productive agent. The survey assessments are not based on an estimate of the produce, or designed to secure for Government any fixed proportion of it. They aim at a true estimate of the relative capacities of fields in giving a return to average expenditure and labour. Some capital and labour must be expended to raise any crop at all. If the cultivation is slovenly, the assessment may doubtless absorb a considerable part of the rent; if the cultivation is of average quality, the assessment will be a fair and moderate charge, if a higher degree of skill and capital is applied, the assessment will be a trifling percentage on the net profits. It rests mainly with the cultivator to decide what proportion the assessment shall bear to his receipts, and if he increases his receipts by the outlay of money and industry, the Government demand does not rise in consequence as it would under the batai system. The cultivator enjoys the profits of his improved agriculture. But while he is assured that the assessment will not rise in proportion to his receipts, it is on the other hand obviously reasonable that a field which will make a large return to capital and labour should be rated at a value somewhat higher than a field which has not the same capabilities. It must be remembered that this classification of relative values is fixed once for all at revision settlement, and is not liable to alteration, except in the interest of the occupant on proof of manifest error. The valuation thus permanently established takes account of all the natural capabilities of the field. Now, if a cultivator finds that his field is valued 6 or 8 per cent. higher than that of his neighbour because of its command of water, is he thereby

discouraged from digging a well to bring the water in to use? Having to pay the same assessment whether he does so or not, will he prefer to pay the extra rent without availing himself of the advantage for the use of which he therein pays; or will he discount the higher assessment by obtaining a better return from his field through utilizing the water? It is clear that he will not only not be discouraged, but will even be stimulated to utilize the sub oil water by this method of assessment.

29. It has even been argued that subsoil water is not an element of relative value which the Government is entitled to take into account. But as subsoil water is a natural advantage of land which is capable of returning a large profit on capital and labour, it may clearly be taken into account with other natural advantages in an estimate of value which is based on the capability of a field as an agent of production, and not on the actual produce. Water advantage equally with soil advantage raises the natural value of the field, and capital and labour must be used alike to utilize either. But in neither case is the assessment adjusted in proportion to the profits realized by expenditure of capital and labour. Higher classification value represents higher natural capability, apart from the use to which it is put, and the extra assessment resulting from higher classification value is the difference between the payment for the use of a field of high and a field of low capability.

30. If the argument be that this capability should not be taken into account until it is used, then the same argument may be applied to all the other capabilities of the field, such as depth of soil, and the result would be exactly that which the policy of Government seeks to avoid, viz., that enterprise would be taxed, good agriculture would be assessed higher in proportion than bad, and improvements would be directly discouraged.

31. The only reasonable objection is that subsoil water may be taken into account as an element of value when it is not practically available. In other words, that the existence of subsoil water advantage cannot be safely inferred on any evidence short of its actual use. But this remains to be proved. The best evidence of the existence of subsoil water is doubtless its actual use, but it cannot reasonably be asserted that all land capable of irrigation by wells is already under well irrigation. If so,

there would be no object in offering inducements for its development, and the common statement that the Guzerat peasant has been deterred from a vast extension of well irrigation only by his misapprehension as to his enjoyment of the profits of improvements, must be purely erroneous. There is at any rate no question that in Jhalod there is a vast extent of land possessing unutilized irrigable capability. That, however, there may be no doubtful margin, it has been decided not to apply the extra classification to the area judged to possess irrigable capability of the lowest class. In the rest, if it is possible that mistakes may occur, on the other hand it is not proposed to continue to levy the extra percentage for water advantage on land in which it has been demonstrated by the occupant that no such advantage is inherent.

32. The principle to which the Government of Bombay has long inclined, is that enunciated by His Excellency the Viceroy in the debate on the Land Improvement Loans Act of 1883, that "the right of the tenant, to enjoy the results of the inherent qualities of the soil is already covered by the payment of his ordinary rent, and the addition to the letting value of his land arising from his improvements may therefore be treated as resulting only from his expenditure of capital and labour." The proviso to Section 11 of that Act, that "where the improvement consists of.....the irrigation of land assessed at unirrigated rates," the increase of value may be taken into account in revising the assessment after the expiration of a fixed period, applies to cases in which the unirrigated rates are nominal, and take no account of the inherent facility for irrigation. But the Bombay Act I. of 1865 contained no such proviso, and it was declared on authority that the Bombay Land Revenue Code (Act V. of 1879) would not be construed as applying any such proviso to improvement by well irrigation. The alternative method of meeting the equitable claim of Government to a higher revenue from irrigable land is to take account of the inherent quality of subsoil water advantage in fixing the ordinary rent, and His Excellency in Council observes that no other way of solving the question seems compatible with that finality and permanence of survey classification which it is now an object of Government to secure. The ordinary rent thus fixed must of course not exceed such proportion of the net profits of fair average cultivation as the Government

considers that it is justified in taking as land revenue, and His Excellency in Council finds no ground whatever for supposing that that proporation has been exceeded in the settlement of the Jhalod Mahal.

33. The proposals of the Survey Commissioner, as modified by his letter No. 1,376 of July 2nd, are approved, so also are his proposals in paragraph 14 of his letter No. 910 of May 3rd, as to the introduction of the revised settlement and the duration of the guarantee.

J. MONTEATH,
Under-Secretary to Government.

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